

Examples of Incentives

| Rebate Year | % of Rebate | City Mill Levy | Purchase price | Rebate Amount |
|--|-------------|----------------|-----------------------------|-------------------|
| Year 1 | 80% | 51.127 | \$200,000 | \$940.74 |
| Year 2 | 60% | 51.127 | \$200,000 | \$705.55 |
| Year 3 | 40% | 51.127 | \$200,000 | \$470.37 |
| Year 4 | 20% | 51.127 | \$200,000 | \$235.18 |
| Sub-total | 200% | | Four Year Tax Rebate | \$2,351.84 |
| Up front cash payment to closing agent For the benefit of the homeowner(s) | | | | \$2,000.00 |
| Total Housing Incentive of a Home with a Purchase Price of \$200,000 & Over | | | | \$4,351.84 |

| Rebate Year | % of Rebate | City Mill Levy | Purchase price | Rebate Amount |
|---|-------------|----------------|-----------------------------|-------------------|
| Year 1 | 80% | 51.127 | \$150,000 | \$705.55 |
| Year 2 | 60% | 51.127 | \$150,000 | \$529.16 |
| Year 3 | 40% | 51.127 | \$150,000 | \$352.78 |
| Year 4 | 20% | 51.127 | \$150,000 | \$176.39 |
| Sub-total | 200% | | Four Year Tax Rebate | \$1,763.88 |
| Up front cash payment to closing agent For the benefit of the homeowner(s) | | | | \$2,000.00 |
| Total Housing Incentive of a Home with a Purchase Price of \$150,000 | | | | \$3,763.88 |

Application packets with complete information & eligibility requirements are available in the City Administrative office

City of McPherson

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City of McPherson



New Construction Homebuyer Incentive Program

City of McPherson

Tel: 620-245-2535

New Construction Homebuyer Incentive Program (NCHIP)

Reason for the Program

The City of McPherson has established a new construction homebuyer incentive program. The purpose of this program is to stimulate existing and future job growth, and to stimulate the current and future tax base, and desires to stimulate new home construction and home ownership. This is a combination cash and rebate program which provides a rebate of the City portion of real property taxes on eligible properties for a period of up to 4 years, and provide \$2,000 cash subject to certain limitations, conditions, and restrictions.

Eligibility

Applications must be turned in 10 days prior to closing. Home owners may apply for NCHIP rebates on single-family, owner-occupied homes, whether stand alone housing or part of a multi-unit structure as long as fee title to the residence is acquired, together with the underlying land and appurtenances, purchased on or after the effective date of this program and must satisfy the following criteria:

1. The property is a newly constructed home which has not previously been occupied or has not been rented for more than 24 months by the original builder/developer.
2. The property is located in a platted development, within the City's corporate limits.
3. All special assessment and general tax obligations on the property for which application is made must have been paid current as of the date applicant homeowner closed the purchase of the property.
4. The property must not be located within a tax increment finance district or receive any other City incentive existing now and in the future.
5. The rebate shall be calculated for up to \$200,000 of the purchase price of the property. For homes over \$200,000 the rebate applies to first \$200,000 only.
6. The applicant(s) must also furnish a properly completed Form W-9 to be eligible for this program.
7. Must have a certificate of occupancy.
8. Incentive is non-transferable upon sale of the home.

How the Program Works

Once an application is approved for an eligible property, and the owners) have entered into the Program Agreement with the City, the City will issue a rebate payment to the property owner(s) on or about July 1 of each year, starting the first year of full taxes continuing for a period of 4 years. Payment shall be in the following amount of the City share of general ad valorem property taxes which the applicant owner(s) or a predecessor in title actually paid or caused to be paid on the property the preceding December and May. Subject to the overall restriction, the rebate shall be calculated as follows:

| <u>NCHIP Rebates</u> | |
|----------------------|-----|
| Year 1 | 80% |
| Year 2 | 60% |
| Year 3 | 40% |
| Year 4 | 20% |

The homeowner(s) will also receive \$2,000 to go toward their closing costs. This \$2,000 payment will be made payable to the closing agent for the benefit of the homeowner(s).