

3.20.010 - Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

"Applicant" means an owner of a qualified residence who applies for the tax abatements described herein.

"Family" retains the meaning it is given under Title 17 herein.

"Owner" means an individual who has a legal interest in a dwelling.

"Program" means the homeowner conversion tax abatement program.

"Qualified residence" means any residence meeting the criteria established in Section 3.20.020 of this chapter and located within the corporate limits of the city of Salisbury.

"Residence" means:

1. A house that is:
 - a. A single-family detached dwelling arranged or designed for occupancy by only one family,
 - b. Occupied as the principal residence of the homeowner, and
 - c. Actually occupied or expected to be actually occupied by the homeowner for more than six months of a twelve (12) month period beginning with the date of finality for the taxable year for which the property tax abatement under this section is sought, unless the homeowner does not actually reside in a dwelling for the required time period because of illness or need of special care; and
2. The lot on which the house is erected.

(Ord. 1932 (part), 2005; Ord. 1922 (part), 2005)

3.20.020 - Tax abatement.

- A. Residential real property that is converted from use exclusively as a rental property to use as an owner-occupied family residence shall be subject to a tax abatement as described herein, if the applicant provides sufficient proof of the following:
 1. The property has been used exclusively as a rental property for at least three years immediately prior to purchase by the applicant or was purchased from a person or entity that rehabilitated the property after rental use for three consecutive years;
 2. The applicant purchased the property with the intent of converting the property to use as an owner-occupied family residence;
 3. The applicant intends to occupy the home within one year of purchase as an owner-

occupied family residence; and

4. The applicant agrees to continue to use the property as an owner-occupied family residence for the entire nine years of participation in the program, or sell it only to a person who will use it as an owner-occupied family residence until the expiration of the property's participation in the program, or pay the city for all taxes abated during the period of his ownership.
- B. A qualified property that is used as an owner-occupied family residence shall be eligible for the following tax abatements:
1. A qualified residence shall be exempt from city property tax for five years.
 - a. If an applicant purchases a qualified property on or before December 31st, the current tax year will be the property's first year in the program.
 - b. If an applicant purchases a qualified property on or after January 1st, the following tax year will be the property's first year in the program.
 2. In year six of participation in the program, the qualified residence shall be taxed at a rate equal to twenty (20) percent of the then-prevailing tax rate for residential real property in the city.
 3. In year seven of participation in the program, the qualified property shall be taxed at a rate equal to forty (40) percent of the then-prevailing tax rate for residential real property in the city.
 4. In year eight of participation in the program, the qualified property shall be taxed at a rate equal to sixty (60) percent of the then-prevailing tax rate for residential real property in the city.
 5. In year nine of participation in the program, the qualified property shall be taxed at a rate equal to eighty (80) percent of the then-prevailing tax rate for residential real property in the city.
 6. Thereafter, the qualified residence shall be taxed at the then-prevailing tax rate for residential real property in the city.
- C. Termination of Participation in Program.
1. A residence's participation in the program is terminated when, before the end of an agreement made under subsection (A)(4) of this section, the residence subject to the agreement:
 - a. Ceases to be used as an owner-occupied family residence;
 - b. Is conveyed to a new owner, unless the new owner of a qualified residence accepts the obligations of an agreement made under this chapter; or
 - c. Otherwise fails to meet the criteria for a qualified residence under this chapter.
 2. When a qualified residence's participation in the program is terminated, a property tax is due for each taxable year beginning with the first taxable year in which the qualified

residence's owner received a tax abatement under this chapter.

D. Implementation.

1. To administer the program, the director of internal services of the city of Salisbury shall distribute and receive any forms that are required for application to the program, agreement to participate and an annual certification of qualification.
2. Each applicant shall file a certificate of qualification by April 1 of each year with the director of internal services in order to remain eligible for the tax abatement program.

(Ord. 1992 (part), 2006; Ord. 1932 (part), 2005; Ord. 1922 (part), 2005)