

# Residential Renewal and Renovation District (3RD) Tax Exemption Information



2020

Adopted: November 3, 2020

### **Pascagoula Residential Renewal and Renovation District Tax Exemption:**

Pursuant to Mississippi Code Sections 17-21-5, 27-31-31 and 27-31-32, the City Council establishes the Pascagoula Residential Renewal and Renovation (3RD) District Tax Exemption Policy to promote private investment and residential growth and revitalization within the City of Pascagoula. This Policy will allow an exemption of municipal ad valorem taxes (excluding School Taxes) for period of time for residential developments including new structures and improvements to existing structures located within the 3RD. The exemption is limited to the increases in the amount (or increased value of improvements) of City ad valorem taxes caused by the new construction or renovation structures. While the overall abatement may be granted to the levels permitted by the Mississippi Code, abatements offered by the city are generally 75 percent of the city's ad valorem taxes over a period of 5 years.

### **Residential Tax Exemption Facts:**

- The tax exemption will be granted under the current policy at a rate of 75% of the municipal ad valorem taxes over a period of 5 years. The City Council reserves the right to adjust this rate and the duration at its discretion and within limits of the authorizing legislation.
- The tax exemption is only applicable to the **increase** in assessed City ad valorem taxes resulting from the higher value with improved property.
- The residence must be located within the boundaries of one of the following districts:
  - Central Business District, Historic Districts, or Urban Renewal District. These districts may be provided a tax exemption for a period up to 7 years. Projects with Historic Districts or Properties must comply with Historic Preservation Commission requirements.
  - Residential Renewal Districts. These districts may be provided a tax exemption for a period up to 10 years.
  - Residential Renovation Districts. These districts may be provided a tax exemption for a period up to 10 years.
- This Exemption applies to a new residence or an existing residence. To qualify for the Exemption, the minimum investment by the applicant must be as follows:
  - The minimum investment for a renovation project is \$75,000.
  - The minimum investment for a new construction project is \$150,000.
- Single Family, Townhomes, Condominiums, and similar fee simple, owner-occupied structures and Mixed-Use projects are eligible for the tax exemption. Rental properties can be considered in certain cases, but this will generally be limited to Mixed-Use Projects.
- The tax exemption is transferrable if the property is conveyed during the exemption period.
- To qualify for an exemption, the property on which the exemption is requested and the owner of the property must be current on all ad valorem taxes and shall not otherwise be indebted to the City, including an indebtedness for utility bills.

**How to Apply:**

An application for residential tax exemption in the 3RD is enclosed (Exhibit C). The applicant is encouraged to submit the tax exemption request with construction permitting documents. To be eligible for an exemption, the request must be submitted prior to completion of the project. If the owner or representative does not submit an application prior to the issuance of a certificate of occupancy, the exemption will not be considered.

Upon completion of the project, and issuance of a certificate of occupancy, a resolution affirming the exemption will be adopted by the City Council and forwarded to the Jackson County Tax Assessor.

**For more information, contact:**      **Donovan Scruggs, AICP**  
**Director of Planning, Building and Code Enforcement**  
**228-938-6620**  
**[dscruggs@cityofpascagoula.com](mailto:dscruggs@cityofpascagoula.com)**

**EXHIBIT A**

**Residential Renewal and Renovation District**

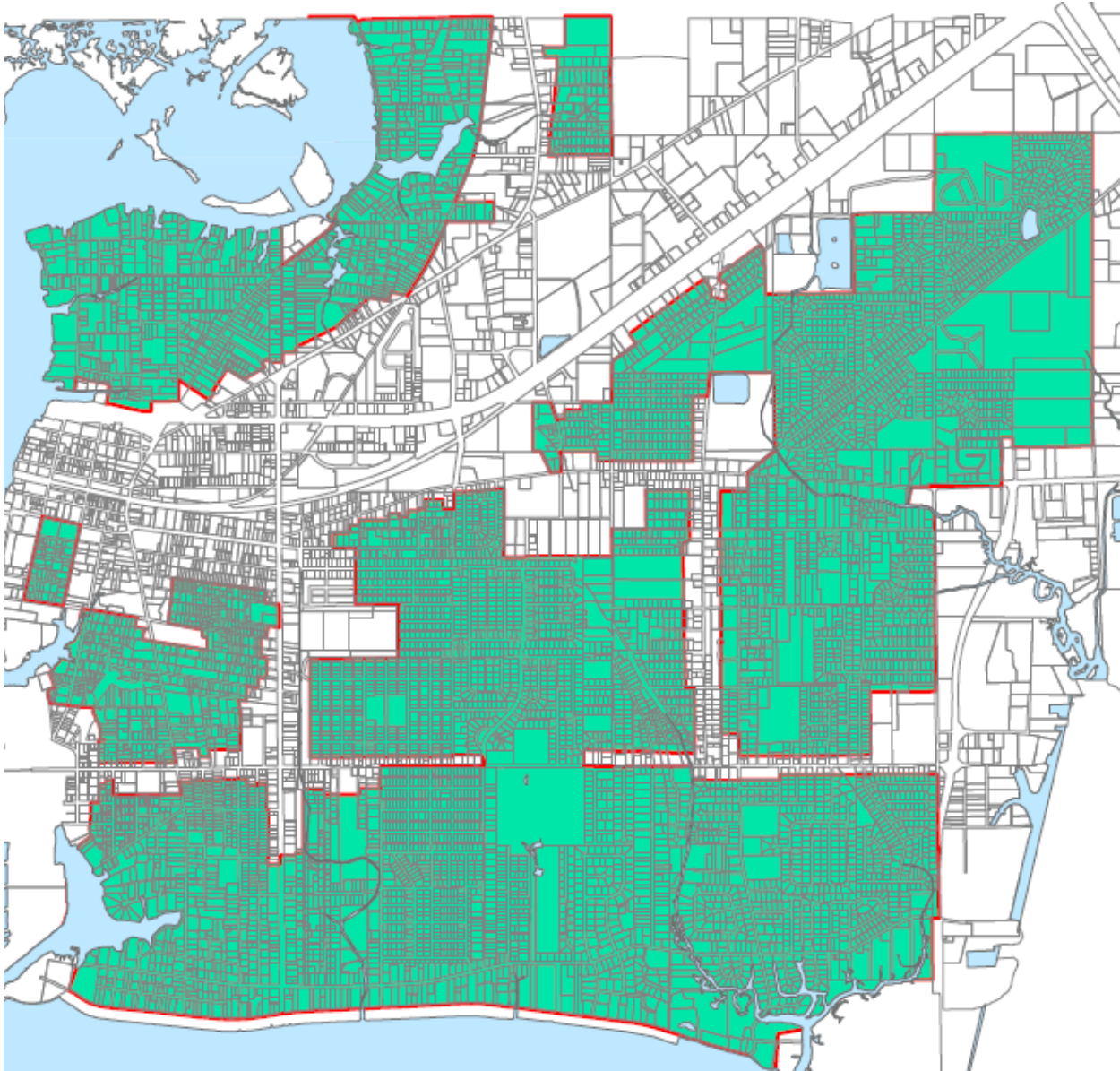




EXHIBIT C



**Residential Tax Exemption Application**

Name of Applicant: \_\_\_\_\_

Applicant Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_ Is this an existing residence? YES NO

Project Address: \_\_\_\_\_

Value of Renovation/Construction Costs: \$ \_\_\_\_\_

Projected value of finished product: \$ \_\_\_\_\_

How long has the building/site been vacant? \_\_\_\_\_ Is the development in the CBD? YES NO

Is the project within the Residential Renewal District? YES NO

Is the project within the Residential Renovation District? YES NO

Is the project within the Urban Renewal District? YES NO

Will the project be Owner Occupied or Rental? OWNER RENTAL

Is the project mixed-use? YES NO

Date From Which Exemption is to Begin: \_\_\_\_\_

**Building plans are required to evaluate a residential tax exemption application. Please submit these to the Director of Planning and Building once developed.**

*By signing below, I hereby confirm that I am an authorized representative of the applicant and that the information provided is truthful to the best of my knowledge. Furthermore, I understand that this tax exemption will be approved or denied, or the exemption term or amounts reduced at the sole discretion of the City Council of the City of Pascagoula as per the Order by which the tax exemption policy was established.*

Signature of Applicant: \_\_\_\_\_ Date: \_\_\_\_\_