



ORDINANCE #2025-12

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

That Chapter 102 - Taxation, Article III - Realty Transfer Tax, Section 102-71 – Definitions, be amended to read as follows:

(3) *First-time homebuyer* means a natural person who has at no time held an interest in residential real estate, wherever located, and which has been occupied as their principal residence, and who intends to occupy the property being conveyed as his principal residence, within 90 days following recordation of the deed. The first-time homebuyer must file an affidavit certifying to his qualifications before the exemption can be granted. In order to alleviate claims for rebate of the transfer tax paid, no rebate shall be made once the deed for the transaction has been recorded. First-time homebuyers submitting a false affidavit in any respect, which would entitle them to the exemption, shall be subject to payment of the unpaid transfer tax, plus interest at the rate of one and one-half percent per month and, upon direction by the council, referral to the attorney general of the state for criminal prosecution. This subsection shall apply to all real estate settlements held on or after January 2, 2000. First-time homebuyers are exempt from the transfer tax as provided herein. The first-time homebuyer exemption shall apply to the seller of property that qualifies for the first-time buyer exemption but only for property located within the downtown development district defined in Appendix C. Council shall have the right to deny this exemption to any property owner where the sale and purchase appears to be done fraudulently to take advantage of the realty transfer tax exemption ordinance.

BE IT FURTHER ORDAINED:

That Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-113 - Qualifications, be amended as by inserting the text indicated in bold, blue, italics, and deleting the text indicated in red strikeout as follows:

(d) Any persons purchasing residential real property in which they will reside within the downtown development district defined in Appendix C shall be given tax relief from the payment of real estate taxes in the following manner: first year of ownership, total tax abatement; second year of ownership, 75 percent tax abatement; third year of ownership, 50 percent tax abatement; fourth year of ownership, 25 percent tax abatement; fifth year of ownership, no tax abatement. Provided however that the homeowner is required to occupy the home as their principal place of residence during the entire time that the taxes are abated and if the property ceases to be their principal place of residence at any time during the

four-year period of abatement, then they shall lose their right of abatement and shall be required to pay immediately all taxes abated up to the time that the home ceases to be their principal residence. In order to obtain the tax abatement, the homeowner must make application by affidavit submitted to the city assessor, city manager or his/her designee, or contractor showing qualification for the abatement and each year thereafter, submit a similar affidavit showing their continued right to the abatement. If qualification for the abatement ceases within the four-year period of abatement the homeowner is required to notify the city assessor, city manager or his/her designee, or contractor of the lack of qualification for the abatement and within 90 days from the date the qualification ceases, pay all taxes abated in the past.

ADOPTED: July 14, 2025

SYNOPSIS

The purpose of this ordinance is to correct the reference to the downtown redevelopment high priority target area to be consistent with the change made in Ordinance #2025-01, which changed this terminology to downtown development district

(SPONSORS: HUGG AND ANDERSON)

Action History

07/14/2025 – Final Reading – City Council

06/23/2025 – First Reading – City Council

06/10/2025 – Introduction – Council Committee of the Whole/Legislative, Finance, and Administration Committee