Description of Incentive Program. The Town of Little Elm has initiated a Home Improvement Incentive Program, open to all residential property owners. This incentive program applies to improvements made to the exterior or interior of the residence as well as permanent improvements to the lot.* The incentive is based on the increase in the Town property tax on the residence in the first full tax year following the completion of the improvements. The incentive amount will be calculated as follows: the town tax increase times ten (tax increase X 10) and will be paid to the home owner in one lump sum.

Eligibility Requirements. All homeowners in single-family zoned areas are eligible to participate, except those who are delinquent in property taxes or other fees. To qualify, an improvement project involving the reconstruction or remodeling of a single-family home must cost at least $20,000 and be completed within 24 months of project approval. The property owner must consent to periodic inspections by the Town as the project progresses. The property owner is required to obtain all necessary Town permits normally required for residential construction and remodeling. The property owner will be required to provide receipts and other such information so that Town staff may verify the costs incurred by the property owner for the project.

Application. Property owners shall submit an application to the Town’s Director of Development Services on a form provided by the Town. The application shall require the property owner to provide the details of the proposed home improvement project, the estimated project costs (minimum $20,000), and other related information as the Town may require to establish eligibility in the program. DO NOT START construction or purchase materials until the Town has approved the application.

Review Process. The application shall be reviewed by the Director of Development Services (or designee) who shall determine whether the proposed project qualifies for the program and verify the amount of the approved project costs. The application shall be reviewed within fifteen (15) business days after submission. If an application is incomplete or if additional information is required, the Director of Development Services shall notify the property owner accordingly. The property owner shall provide the additional required information within fifteen (15) business days or the application will be considered withdrawn. The property owner will be notified in writing whether the application is approved or denied. A contract (called an “Economic Development Agreement”) to be signed by the property owner will be enclosed with the approval letter. This signed Agreement is to be returned to the Town within fifteen (15) business days following receipt. The Agreement will then be signed by the appropriate Town staff and approved by the Town Attorney.

Incentive Payment and Timing. The total incentive will be paid to the property owner pursuant to the Economic Development Agreement on the 1st of April following the first full calendar year after completion of an approved project (see sample time line, on back). For example, assume that an approved project is completed in June 2018. The incentive payment would be made on April 1, 2020. The amount will be calculated as follows: assume that the 2019 Town of Little Elm property taxes increased $500 above the 2018 property taxes as a result of the increase in the taxable value of the improvements made (and the normal rise in taxes over time). The total incentive would be $500 X 10 or $5,000. The amount of the incentive shall be determined by the Director of Development Services, based solely on the listed tax amounts per Denton County, and the Director’s decision shall be final in all respects. If there is no increase in property taxes for the year in question, no incentive will be paid to the property owner.

*Improvements to lots must be permanently installed, such as an in-ground pool or outdoor kitchen. For a complete list of projects that are eligible, please contact the Development Services Department at 214-975-0444.
Sample Time Line.


- Application approved by Town staff
- Work begins (permits obtained) - 24 month clock begins
- Project complete
- Calendar year ends following completion
- Second calendar year ends
- Incentive payment made