

PRESERVATION TAX INCENTIVE  
ORDINANCE FOR **DILLON COUNTY**

**NOTES:**

**Red indicates the adaptation from the state ordinance**

**Yellow indicates important information**

***\*It is recommended that properties having started in 2009 with approved COA's be eligible for this incentive.***

An ordinance to adopt a policy with respect to special property tax assessments for rehabilitated historic properties as authorized by Sections 4-9-195 and 5-21-140 of the South Carolina Code of Laws, 1976 as amended.

**SECTION I. SPECIAL TAX ASSESSMENT, CREATED.**

A special tax assessment is created for eligible rehabilitated historic properties for a period of **six (6) years**, equal to the appraised value at the time of the Preliminary Certification. **Note: process is a total of 8 years, two years-Preliminary Certification, Final Certification - six (6) years assessment)**

**SECTION II. PURPOSE.**

It is the purpose of this ordinance to:

- a. encourage the rehabilitation of historic properties;
- b. promote community development and redevelopment;
- c. encourage sound community planning, and;
- d. promote the general health, safety, and welfare of the community.

**SECTION III. ELIGIBLE PROPERTIES.**

The **Dillon County Council** hereby confirms the **BAR, Board of Architectural Review – City of Dillon** to certify historic properties as eligible to receive the special tax assessment based on the requirements of this ordinance.

A. Eligible Properties. To be certified as eligible, properties must:

1. be listed on the National Register of Historic Places, either individually or as a contributing property in a district, or;
2. be fifty or more years old and have been designated as historic by the BAR either individually or as contributing property in a local historic district.

B. Moved Properties. The moving of historic buildings from their original site is generally discouraged. If such property is moved as part of a rehabilitation project it may be eligible for the special tax assessment if:

1. It has been locally designated as historic but will retain, on the new site, the characteristics that made it eligible for historic designation on the former site;
2. It has not yet been designated historic but will meet designation criteria on its new site; or
3. It is listed on the National Register of Historic Places and the movement meets all standards and procedures of the U.S. Department of the Interior and South Carolina Department of Archives and History.

C. Removal of Eligibility for the Special Assessment: **Dillon County Council** may remove a designated property from the list of eligible properties if it no longer possesses the qualities that made it eligible for designation, provided that:

1. The property has been removed from the National Register of Historic Places and has not been designated under the local criteria included in Section III. B. of this ordinance; and
2. Owners of property proposed for removal of designation shall be given 30 days notice prior to such action and are given opportunity to present evidence why such removal should not be conducted.

D. Certification. To be eligible for the special tax assessment, the rehabilitation work must receive Preliminary and Final Certification.

1. To receive Preliminary Certification a property must meet the following conditions:
  - a. The **Dillon County Council** has designated the property historic;
  - b. The proposed rehabilitation work receives approval from the **BAR**; and
  - c. Rehabilitation work is approved prior to beginning work.
2. To receive Final Certification a property must meet the following conditions:
  - a. The property has received Preliminary Certification;
  - b. The minimum expenditures for rehabilitation were incurred and paid; and
  - c. The completed project receives approval from the **BAR**

#### **SECTION IV. ELIGIBLE REHABILITATION**

A. Standards for Rehabilitation. To be eligible for the special tax assessment, project work must meet the following standards;

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alterations or features and spaces that characterize each property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property should be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new should match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the historic property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

B. Work to be Reviewed. The **BAR** shall review the following work according to the standards set forth above

1. repairs to the exterior of the designated building;
2. alterations to the exterior of the designated building;
3. new construction on the property on which the building is located;
4. alterations to interior primary public spaces;
5. any remaining work where the expenditures for such work are being used to satisfy the minimum expenditures for rehabilitation.

C. Minimum Expenditures for Rehabilitation means the owner or his estate rehabilitates the building, with expenditures for rehabilitation:

1. exceeding **50%** of the fair market value of the building for owner occupied property, or;
2. exceeding **100%** of the fair market value of the building for income producing property.

Fair market value means the appraised value as certified to the **Dillon County Council** by a real estate appraiser licensed by the State of South Carolina, *paid for by the owner or his estate*, the sales price as delineated in a bona fide contract of sale within six months of the time it is submitted, or the most recent appraised value published by the Dillon County Tax Assessor.

D. Expenditures for Rehabilitation means the actual costs of rehabilitation relating to one or more of the following:

1. Improvements located on or within the historic building as designated;
2. Improvements outside of but directly attached to the historic building which are necessary to make the building fully useable (such as vertical circulation) but shall not include rentable/habitable floor space attributable to new construction;
3. Architectural and engineering services attributable to the design of the improvements; or
4. Costs necessary to maintain the historic character or integrity of the building.

E. Scope. The special tax assessment may apply to the following:

1. structure(s) rehabilitated;
2. real property on which the building is located;
3. Buildings and/or structures that are historically and/or architecturally significant to the rehabilitated property, as determined by the **BAR**, including but not limited to historic outbuildings such as garages, carriage houses, and agricultural or other buildings related to the historic use of the property.

F. Time Limits To be eligible for the special tax assessment, rehabilitation work must be completed within two (2) years of the Preliminary Certification date. If the project is not complete after two years, but the minimum expenditures for rehabilitation have been incurred, the property continues to receive the special

assessment until the project is completed, but no longer than the period set forth in Section I.

## **SECTION V. PROCESS.**

A. Plan Required. Owners of property seeking approval of rehabilitation work must complete a Rehabilitated Historic Property Application as developed by the SHPO or developed by the local government, with supporting documentation *prior to beginning work*. **Approval is mandatory through application of a COA prior to beginning work.**

Owners who complete rehabilitation work prior to approval of the application are at risk of not receiving approval for this program. .

B. Reviewing Authority The Reviewing Authority shall be **Board of Architectural Review – City of Dillon**

C. Preliminary Certification Upon receipt of the completed **COA** application the proposal shall be provided to the **BAR** to determine if the project is consistent with the Standards for Rehabilitation in section III C above. After the **BAR** makes its determination, the owner shall be notified in writing.

Upon receipt of this determination the owner may:

1. Begin rehabilitation; if the **COA** application is approved; or
2. Revise such application in accordance with the special conditions provided by the **BAR** if the application is approved with special conditions; or
3. Revise such application in accordance with comments provided by the **BAR**; if the application is not approved; or
4. Appeal the decision to the South Carolina Department of Archives and History if the application is not approved. (In the case where the South Carolina Department of Archives and History is the Reviewing Authority, the appeal is made to the Appeal Committee of the State Review Board.)

E. Substantive Changes. Once Preliminary Certification is granted to an application, the **BAR** must approve substantive changes **through the COA process**. Unapproved substantive changes are conducted at the risk of the property owner and may disqualify the project from eligibility.

F. Final Certification. Upon completion of the project, the project must receive Final Certification in order to be eligible for the special assessment. The **BAR** (ill inspect completed projects to determine if the work is consistent with the approval granted by the **BAR** pursuant to Section IV above. Final Certification will be granted when the completed work meets the Standards and verification is made that expenditures have been made in accordance with Section IV C and D above. **Upon receiving Final Certification, the property will be assessed for the**

remainder of the special assessment period, up to six (6) years, on the fair market value of the property at the time the Preliminary Certification was made or the Final Certification was made, whichever occurred earlier

G. Additional work. For the remainder of the special assessment period after Final Certification, the property owner shall notify the **BAR** of any additional work, other than ordinary maintenance. The **BAR** shall review the work and determine whether the overall project is consistent with the standards for rehabilitation. If the additional work is found to be inconsistent, the property owner may withdraw his request, revise the proposed additional work, or seek an appeal decision as set forth in V.D, above. . Additional expenditures after Final Certification will not qualify the project for an extension on the special assessment.

H. Decertification. When the property has received Final Certification and assessed as Rehabilitated Historic Property, it remains so certified and must be granted the special assessment until the property becomes disqualified by any one of the following:

1. Written notice by the owner to the **BAR** and the Auditor to remove the preferential assessment;
2. Sale or transfer of ownership during the special assessment period of six (6) years, other than in ordinary course within probate proceedings;
3. removal of **eligibility for the special assessment** (historic designation) by the **Dillon County Council**;
4. rescission of the approval of rehabilitation work by the **BAR** because alterations or renovation by the owner or his estate cause the property to no longer possess the qualities and features which made it eligible for Final Certification.

Notification of any change affecting eligibility must be given immediately to the County Assessor, Auditor, and Treasurer.

I. Date Effective. If an application for Preliminary or Final Certification is filed by May 1 or the Preliminary or Final Certification is approved by August 1, the special assessment authorized herein is effective for that year. Otherwise, it is effective beginning with the following year.

The special assessment only begins in the current or future tax years. In no instance may the special assessment be applied retroactively.

J. Application. After the property has received Preliminary or Final Certification, the owner of the property shall make application to the County Auditor for the special assessment.