

Sec. 22-29. - Special tax assessments granted to rehabilitated historic properties.

The City of Union (the "city") hereby adopts the following procedures as the implementation of sections 4-9-195 and 5-21-140 of the Code of Laws of South Carolina 1976, as amended (the "Act") within the city:

- (1) *General provisions.* Pursuant to the provisions of the Act, the city is authorized to grant a special property tax assessment to real property located in the city which qualifies as "rehabilitated historic property." Unless otherwise specified by resolution of the city council, the special assessment period hereunder shall be ten (10) years. City council may, by resolution, approve a longer special assessment period, up to an aggregate period not to exceed twenty (20) years. To qualify for a special assessment period greater than ten (10) years, city council must find that the proposed rehabilitation of the subject property is extensive in scale and scope; will foster the economic viability of the surrounding community; and that granting an assessment period greater than ten (10) years is in the best interest of the city. City council designates the South Carolina Department of Archives and History, a certified State Historic Preservation Office, to perform council's functions in regard to determining property to be "historic" and to certifying property as having qualified as "rehabilitated historic property" for special tax assessment purposes when all statutory requirements have been met. It is the desire and expectation of the City of Union that the city program described herein will work in conjunction and partnership with the county implementation of the Bailey Act, and to that extent, the city specifically, but without limitation, authorizes that the achievement of any of the following qualifying provisions in the county and approval of that stage of qualification by the county, in accordance with its implementation ordinance, will likewise be deemed to meet the identical or substantially similar qualifying provision of the city without the applicant having to repeat the same process(es) and paperwork for the city as was used to qualify at the county level, and the county has expressed the same desire, mutatis mutandi. In short, it is the city's desire that the owner of the property (and applicant) will meet all requirements and qualifications of the Act, but will only have to do so once, in order to meet both county and city qualification requirements.
- (2) *Certification, criteria for "historic" designation.* In order to be eligible for the special property tax assessment, historic properties must receive preliminary certification prior to the commencement of any work, and final certification upon completion of approved work.
  - a. To receive preliminary certification, a property must meet the following conditions:
    1. The owner of the property applies for and is granted historic designation, pursuant to subsection (b)(3) below, by the South Carolina Department of Archives and History; and
    - 2.

The proposed rehabilitation receives approval of rehabilitation work from the South Carolina Department of Archives and History.

- b. To receive final certification, a property must have met the following conditions:
    - 1. The property has received preliminary certification;
    - 2. The completed rehabilitation receives approval of rehabilitation work from the South Carolina Department of Archives and History as being consistent with the plans approved by the South Carolina Department of Archives and History as part of the preliminary certification; and
    - 3. The minimum expenditures for rehabilitation were incurred and paid.
  - c. Property shall qualify as "historic" for the special assessment when:
    - 1. It is listed in the National Register of Historic Places;
    - 2. It is at least fifty (50) years old and is designated as a historic property by the South Carolina Department of Archives and History in accord with this section; or
    - 3. It meets such other and additional requirements as may be established by the South Carolina General Assembly in the future.
  - d. In order for a 50-year-old building to qualify as "historic" when it is not listed on the National Register of Historic Places, the building must be shown to meet one (1) of the following criteria:
    - 1. The structure's architectural design and materials of construction are good examples of those types of design and construction recognized among architects and preservationists as having had historical significance in the city's development;
    - 2. The structure is associated in a meaningful way with a person or group who made a significant contribution to the city's political, economic, religious, social, artistic, or literary development; or
    - 3. The structure is associated with a person or group recognized on the state or national level as having made significant contributions to science, religion, politics, business, literature, the arts, or other professions.
- (3) *Standards for review of rehabilitation work.* To be eligible for the special tax assessment, historic rehabilitations must be appropriate for the historic building and the historic district in which it is located. This is achieved through adherence to the Secretary of the Interior's Standards for Rehabilitation and any applicable city-adopted design guidelines, as from time to time are amended.
- a. *Work to be reviewed.* The following work will be reviewed 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 spaces; and
  5. Any remaining work where the expenditures for such work are being used to satisfy the minimum expenditures for rehabilitation.
- b. *Minimum expenditures for rehabilitation.* Minimum expenditures for rehabilitation means the owner or his estate rehabilitates the building, with expenditures for rehabilitation exceeding fifty (50) percent of the fair market value of the owner-occupied building, or with expenditures for rehabilitation exceeding the fair market value of the income-producing building. Fair market value means the appraised value as certified to the South Carolina Department of Archives and History by a real estate appraiser licensed by the State of South Carolina; the sales price as delineated in a bona fide contract of sale within six (6) months of the time it is submitted; or the most recent appraised value published by the Union County Tax Assessor.
- c. *Expenditures for rehabilitation.* Expenditures for rehabilitation means the actual costs of rehabilitation relating to one (1) 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.
- d. *Scope.* The special tax assessment may apply to the following:
1. Structure(s) rehabilitated; and/or
  2. Real property on which the building is located.
- e. *Time limits.* Upon preliminary certification, the property will be assessed for two (2) years on the fair market value of the property at the time the preliminary certification was made. If the project is not complete after two (2) years, but the minimum expenditures for rehabilitation have been incurred, the property continues to receive the special assessment until the project is complete, but not for more than five (5) years. The total special tax assessment period shall not exceed ten (10) years, except as set forth in the general provisions of this section.

(4) *Process.*

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*Plan required.* Owners of property seeking approval of rehabilitation work must submit a completed application for preliminary certification for special tax assessment with supporting documentation prior to beginning work.

- b. *Preliminary certification.* Upon receipt of the completed application, the proposal shall be placed on the next available agenda of the South Carolina Department of Archives and History to determine if the project is consistent with the standards for rehabilitation in subsection (3) above. Within thirty (30) calendar days of its decision, the South Carolina Department of Archives and History shall provide written notification of its decision to the owner of property. Upon receipt of this determination, the owner may:
  - 1. If the application is approved, obtain required permits and begin rehabilitation;
  - 2. If the application is not approved, revise such application in accordance with comments provided by the South Carolina Department of Archives and History; or
  - 3. If the application is not approved, appeal the decision to the South Carolina Department of Archives and History.
- c. *Substantive changes.* Once preliminary certification is granted to an application, substantive changes must be approved by the South Carolina Department of Archives and History. Unapproved substantive changes are conducted at the risk of the property owner and may disqualify the project from eligibility. Additional expenditures will not qualify the project for an extension on the special tax assessment.
- d. *Final certification.* Upon completion of the project, owners of property must submit a completed application for final certification for special tax assessment to receive final certification in order to be eligible for the special tax assessment. The South Carolina Department of Archives and History will inspect completed projects to determine if the work is consistent with the approval granted by the South Carolina Department of Archives and History. Final certification will be granted when the completed work meets the standards and verification is made that expenditures have been made in accordance with divisions (3)c and d. Upon final certification, the property will be assessed for the remainder of the special assessment period on the fair market value of the property at the time of the preliminary certification was made. If the completed project does not comply with all requirements for final certification, final certification must not be granted and any monies not collected due to the special assessment in connection with the property taxes levied by the city with respect to the property shall be levied against the property, collected by the County, and paid over to the city. The South Carolina Department of Archives and History shall notify the Union County Tax Assessor and the city if final certification is not granted.

e.

*Additional work.* For the remainder of the special assessment period after final certification, the property owner shall notify the South Carolina Department of Archives and History of any additional work, other than ordinary maintenance. The South Carolina Department of Archives and History shall review the work at a regularly scheduled hearing 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, or revise the proposed additional work.

- f. *Decertification.* When property has received final certification and is assessed as rehabilitated historic property, it remains so certified and must be granted the special assessment until the property becomes disqualified by any one (1) of the following:
  - 1. Written notice by the owner to the city to remove the preferential assessment;
  - 2. Removal of the historic designation by city council; or
  - 3. Rescission of the approval of rehabilitation work by the South Carolina Department of Archives and History because of alterations or renovations by the owner or his estate which cause the property to no longer possess the qualities and features which made it eligible for final certification.
- g. *Sale or transfer of ownership of real property.* Under no circumstances shall the sale or transfer of ownership of real property certified and assessed in accordance with this section and any ordinance in effect at the time disqualify the property from receiving the special property tax assessment under this section. Notification of any change affecting eligibility must be given immediately to the appropriate city and county taxing and assessing authorities.
- h. *Notification.* Upon preliminary certification and final certification of a property, the owner of property shall notify the City and the Union County Assessor that such property has been duly certified and is eligible for the special tax assessment. The owner has the responsibility to confirm the special assessment status on an annual basis with the city and the county tax assessor. Furthermore, notification of any change affecting eligibility must be given immediately to the city and the Union County Assessor. Upon decertification, the owner shall provide the notification if he initiates the decertification; the South Carolina Department of Archives and History shall provide the notification if it initiates the decertification.
- i. *Date effective.* If an application for preliminary 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 as provided for in this section. In no instance may the special assessment be applied retroactively.
- j.

Should any part or provision of this section 22-29 be deemed unconstitutional or unenforceable by any court of competent jurisdiction, such determination shall not affect the rest and remainder of this section 22-29, all of which is hereby deemed separable.

(Ord. of 1-15-91; Ord. of 11-17-20, § 2)

**Editor's note—** An ordinance adopted Jan. 15, 1991, providing for special tax assessment of rehabilitated historic properties, did not specify manner of codification; hence, inclusion as § 22-29 has been at the editor's discretion.