STATE OF SOUTH CAROLINA  )
COUNTY OF DARLINGTON    )

ORDINANCE NO. 19-19

An Ordinance To Amend Darlington County Code Of Ordinances, Chapter 58 (Taxation), By Adding Article VI. (Special Property Tax Assessment Program For Rehabilitated Historic Properties), To Authorize And Establish A Program To Grant Special Property Tax Assessments To Certain Rehabilitated Historic Properties

PURPOSE
The purpose of this ordinance is to encourage the restoration of historic properties, promote community development and redevelopment, encourage sound community planning, and promote the general health, safety and welfare of the community.

NOW, THEREFORE, BE IT ORDEIGNED by the governing body of Darlington County, South Carolina, the Darlington County Council, that Darlington County Code of Ordinance, Chapter 58, be amended by adding Article VI. (Special Property Tax Assessment Program For Rehabilitated Historic Properties) to read as follows:

Section 1. - Authority
Pursuant to South Carolina Code 1976, §§ 5-21-140 and 4-9-195, as amended (collectively, the "Bailey Bill"), Darlington County is enacting and establishing its special property tax assessment program for rehabilitated historic properties (the "Bailey Bill Program").

Section 2. - Definitions
As used in this ordinance, unless the context shall otherwise require, capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bailey Bill.

Section 3. - Creation Of Special Tax Assessment; Term
(a) Special tax assessment created. A special tax assessment is hereby created wherein real property that has complied with all provisions of the Bailey Bill Program shall receive a property tax assessment for such real property and any improvements thereon that is based upon the fair market value of such property during the year that Preliminary Certification of the historic rehabilitation of such property is granted (the "Special Assessment"). Only work that is performed after the Preliminary Certification is granted shall be considered for purposes of determining the Special Assessment.

(b) Term. The "Assessment Term" means a period of up to 20 years. The Assessment Term is contingent upon the Expense Percentage (as defined below) of each qualifying property. "Expense Percentage" means the percentage determined by
dividing the rehabilitation expenses occurring after the Preliminary Certification by the fair market value of the qualifying property as provided in the Preliminary Certification. If the Expense Percentage equals:

(1) 20-29 percent - the Assessment Term shall be five years;

(2) 30-39 percent - the Assessment Term shall be ten years;

(3) 40-49 percent - the Assessment Term shall be 15 years; and

(4) 50 percent over greater - the Assessment Term shall be 20 years.

Any Special Assessment granted pursuant to the provisions of this Bailey Bill Program shall remain the assessment applicable to such historic property for the purposes of ad valorem taxes for the applicable Assessment Term. If an application for Preliminary Certification is filed by May 1 of any year, or Preliminary Certification is granted by August 1 of any year, the first year of the Assessment Term shall be the year in which such application was filed or Preliminary Certification was granted, as applicable. Otherwise, the first year of the Assessment Term shall be the year following the year in which such application was filed, or Preliminary Certification was granted, as applicable.

Section 4. - Eligibility

(a) Eligible properties. In order to be eligible to receive the Special Assessment, a property must be granted a historic designation by county council based upon one or more of the following reasons ("Eligible Properties"): 

(1) The property is at least 50 years old; and

(2) It also qualifies under the following:
   a. The property is listed on the National Register of Historic Places;

   b. The property has been designated as a historic property by county council; or

   c. The property is located within an area that has been designated as a historic district by county council.

(b) Historic designation. Each property included within the descriptions provided for in Section 4(a) is hereby granted a "Historic Designation" for the purposes of the Bailey Bill and the Bailey Bill Program (a "Historic Property").

Section 5. - Eligible Rehabilitation

(a) In order to be eligible to receive the Special Assessment, a property must undergo a historic rehabilitation (a "Historic Rehabilitation") that adheres to the Secretary of the Interior's Standards for Rehabilitation, together with the county design.
(b) **Rehabilitation work to be evaluated based upon the rehabilitation standards.** The following elements of any Historic Rehabilitation shall be reviewed according to the Rehabilitation Standards:

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; and

4. For public or commercial buildings, interior alterations for primary public spaces.

(c) **Expenditures for rehabilitation.** Qualified expenditures for any Historic Rehabilitation include the actual costs of rehabilitation related to one or more of the following:

1. Improvements located on or within the historic building as designated;

2. Improvements outside of and directly attached to the historic building which are necessary to make the building fully usable; such improvements shall not include rentable/habitable floor space attributable to new construction;

3. Architectural and engineering services attributable to the design of the improvements; and

4. Costs necessary to maintain the historic character or integrity of the building.

(d) The costs of architectural or engineering services shall be limited to a maximum of 20 percent of the total qualified rehabilitation costs. To the extent that the architectural or engineering costs exceed 20 percent of the qualified rehabilitation costs of a Historic Property, such additional costs shall not be includable when determining the Expense Percentage or the Minimum Expenditure (as defined below).

**Section 6. - Minimum Expenditures: Fair Market Value**

In order to be eligible to receive the Special Assessment, the total expenditures that an owner of a Historic Property must incur applicable to a Historic Rehabilitation shall equal or exceed 20 percent of the fair market value of the Historic Property at the time in which Preliminary Certification is granted (the "Minimum Expenditure"). Fair market value shall be based upon the appraised value of the Historic Property as certified by a licensed real estate appraiser and as submitted as part of an application for Preliminary Certification; (ii) the sales price of the Historic Property delineated in a bona fide, arms-length real estate transaction taking place within 12 months of the time that an application for Preliminary Certification is submitted; or (iii) the most recent appraised value determined by the Darlington County Assessor.

**Section 7. - Reviewing Authority Designation: Jurisdiction**

The County's Historical Commission (the "CHC"), as the board of the county with jurisdiction over historic properties pursuant to South Carolina Code 1976, § 6-29-870, as amended, is hereby designated as the "Reviewing Authority," as such term is used in the
Bailey Bill, for the purposes of the Bailey Bill Program. The jurisdiction of the CHC is hereby
expanded, but only for the purposes of the duties prescribed to the CHC pursuant to the
Bailey Bill Program, to include jurisdiction of the Eligible Properties.

Section 8. - Approval Process
(a) Application. In order to be eligible to receive the Special Assessment, a Historic
Property proposing a Historic Rehabilitation must receive Preliminary Certification by
the County Council using the application and review process provided for in this
section. Any owner of a Historic Property may apply to Darlington County for
Preliminary Certification of a proposed Historic Rehabilitation by submitting an
Application for Preliminary Certification to the Darlington County Historical
Commission. In order to receive consideration, all applications must be complete and
must include the following fees and other information:
(1) A completed application;
(2) Any application fees that may be required;
(3) A plan detailing the proposed Historic Rehabilitation detailing the scope of work
that is to be performed and demonstrating compliance with the Rehabilitation
Standards;
(4) Sufficient evidence of the current fair market value of the Historic Property; and
(5) The total amount that the owner anticipates will be expended on the Historic
Rehabilitation.

(b) CHC Review. Provided the finished application (as to all form and content) has been
filed with the Historical Commission at least seven calendar days before the regularly
scheduled meeting of the CHC, the CHC shall review the submitted application at its
next regular meeting; otherwise, consideration shall be deferred until the next
occurring meeting of the CHC. Any applicant may be present at any such meeting to
offer further explanation regarding the proposed Historic Rehabilitation and answer
any questions of the CHC. The CHC shall affirm that the Minimum Expenditure is
expected to be met and that the property meets the standard for a Historic Property.
The CHC shall review each application and proposed Historic Rehabilitation to ensure
that the proposed scope of work complies with the Rehabilitation Standards. If all
criteria are met, the CHC may recommend to county council that the Historic
Rehabilitation be approved. If the CHC declines to recommend approval to county
council, the CHC shall provide the applicant with specific reasons for its denial and the
applicant may re-apply under the terms of this section.

(c) Certificate of Appropriateness. In no instance shall a recommendation to county council
for the approval of a Historic Rehabilitation be construed as a grant of a Certificate of
Appropriateness by the CHC; however, applicants are encouraged to submit
applications for Preliminary Certification and applications for a Certificate of
Appropriateness for any Historic Rehabilitation at the same time and the CHC is hereby
authorized to defer the consideration of either application for no more than one regularly scheduled meeting in order to permit both applications to be considered in conjunction.

(d) **County Council Preliminary Certification.** Upon an application receiving a recommendation of approval by the CHC, the application shall be considered at the next regularly scheduled meeting of county council, provided that enough time remains to include such an Application on the upcoming meeting agenda. County council may, by ordinance, approve the application and proposed Historic Rehabilitation and, in such event, shall make specific findings of the following facts regarding the following:

1. The property constitutes an Eligible Property;
2. The Minimum Expenditures are expected to be met; and
3. The fair market value of the Historic Property that is to be used to calculate the Special Assessment and the Expense Percentage.

(e) **Substantive changes.** If at any time during the application process or after Preliminary Certification is granted, the scope of work considered or approved thereunder is substantively changed in any way, the applicant must promptly notify the County Historical Commission who shall decide as to whether such a change requires the prior approval of the county council. If such approval is necessary, such a change may be brought directly before the county council at its next available regularly scheduled meeting for consideration. Unapproved substantive changes are conducted at the risk of the property owner and may disqualify the property from eligibility for the Special Assessment.

(f) **Assessment for two years during work.** Once a proposed Historic Rehabilitation has received Preliminary Certification, the Historic Property shall receive the Special Assessment for an initial period of two years during which the proposed Historic Rehabilitation is undertaken. Any such period shall apply towards the applicable Assessment Term in Section 3(b) herein. If, after the expiration of two years, the Historic Rehabilitation is not complete, but the Minimum Expenditure has been met, the Special Assessment shall continue for such time as it is necessary to complete the Historic Rehabilitation. If after the expiration of two years, the Minimum Expenditures have not been met, the county council may, at its discretion, disqualify the property from eligibility for the Special Assessment and any monies not collected due to the special assessment must be returned to the county and other affected taxing districts, as applicable.

**Section 9. - Rehabilitation Monitoring: Final Certification**

(a) _Monitoring._ During the period which the Historic Rehabilitation is underway, staff of Darlington County Development Services may inspect the work in progress to ensure that the Historic Standards are met. Inspections of any exterior work may be made at any time and inspections of any interior work may be made upon 24-hours-notice. The
refusal of an applicant to permit inspection shall serve as grounds for the disqualification of the property from eligibility for the Special Assessment. If such an inspection shows substantive deviations from the approved scope of work or a failure to comply with the Historic Standards, the county council may disqualify the property from eligibility for the Special Assessment.

(b) **Final Certification.** Upon completion of the Historic Rehabilitation, the applicant must notify Development Services and request that the property be granted Final Certification. The Development Services Department shall inspect the Historic Property to ensure compliance with the approved scope of work and the Historic Standards. If compliance is found, the Development Services staff shall grant Final Certification and shall provide the property owner with enough documentation of such Final Certification.

**Section 10. - Notification Of The Darlington County Tax Assessor**

Upon receipt of Final Certification, it shall be the responsibility of the property owner to provide such Final Certification to the Darlington County Assessor in order to secure the Special Assessment.

**Section 11. - Jurisdiction Of Municipalities**

Any historical property located inside the municipality of the county must be approved by the appropriate jurisdiction. Upon approval, the county will match the special tax assessment.

**Section 12. - Additional Work: Decertification**

(a) For the remainder of the applicable assessment period, the property owner shall notify Development Services of any additional exterior work undertaken on the Historic Property, other than ordinary maintenance. Development Services staff will present the proposed work to the CHC at its next regularly scheduled meeting who will 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 shall withdraw his request and cancel or revise the proposed additional work.

(b) Once the Historic Property has received Final Certification, it shall remain so certified and must be granted the Special Assessment until the property becomes disqualified by any one of the following:

1. The expiration of the applicable Assessment Term;

2. Written notice from the property owner to the County Historical Commission and the Darlington County Auditor requesting removal of the Special Assessment;

3. Removal of the historic designation by county council; or

4. Rescission of the approval of the Historic Rehabilitation by the CHC because of alterations or renovation by the owner or the owner's estate which causes the
property to no longer possess the qualities and features which made it eligible for Final Certification.

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

Section 13 – Authorizing Inclusion Of Ordinance In The Code

The provision of this ordinance shall be included and incorporated in the Code of Ordinances for Darlington County, as an amendment thereto, and shall be appropriately renumbered to conform to the uniform numbering system of the Code.

Section 14 – Effective Date

This ordinance shall become effective upon third reading.

ATTEST:

J. Janet Bishop
Clerk to Council

DARLINGTON COUNTY COUNCIL

Bobby Hudson, Chairman

FIRST READING: August 12, 2019
SECOND READING: October 7, 2019
THIRD READING: November 4, 2019
PUBLIC HEARING: September 9, 2019
Darlington County Recording Page

Darlington Clerk of Court / ROD
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1 Public Square - Room B-4
Darlington, SC 29532
(843) 398-4330

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