

COUNTY OF HORRY)
)
STATE OF SOUTH CAROLINA)

ORDINANCE 16-2022

AN ORDINANCE TO AMEND CHAPTER 19, ARTICLE I, GENERAL PROVISIONS, SECTION 19-7 OF THE GENERAL CODE OF THE HORRY COUNTY CODE OF ORDINANCES PERTAINING TO TAX INCENTIVES FOR THE REHABILITATION OF HISTORIC PROPERTIES.

WHEREAS, pursuant to the authority provided in S.C. Code 1976 (as amended), § 4-9-195, the County grants a special property tax assessment to real property which qualifies as rehabilitated historic property; and

WHEREAS, under Chapter 19, Article I, General Provisions, Section 19-7 of the General Code, the Board of Architectural Review and Historic Preservation is charged with hearing tax assessment cases for the rehabilitation of historic properties; and

WHEREAS, the Board of Architectural Review and Historic Preservation name was changed to the Historic Preservation Commission on September 1, 2020 with the passing of Ordinance 66-2020; and

WHEREAS, the Historic Preservation Commission has recommended clarification to the language of Chapter 19, Article I, General Provisions, Section 19-7 of the General Code.

NOW THEREFORE, by the power and authority granted to the Horry County Council by the Constitution of the State of South Carolina and the powers granted to the County by the General Assembly of the State, it is ordained and enacted that:

- 1) **Amendment of Chapter 19, Article I, General Provisions, Section 19-7:** of the General Code is hereby amended as follows: (All text in ~~strikethrough~~ shall be deleted and all text shown **underlined and bolded** shall be added)

Sec. 19-7. - Tax incentives for rehabilitation of historic property.

Pursuant to the authority provided in S.C. Code 1976 (as amended), § 4-9-195, the county grants a special property tax assessment to real property which qualifies as rehabilitated historic property, as follows.

- (1) A special tax assessment is created for eligible rehabilitated historic properties for fifteen (15) years equal to the fair market value of the property at the time of preliminary certification.
- (2) A. *Certification.* In order to be eligible for the special tax assessment, historic properties must receive preliminary and final certification, preliminary certification to be received prior to the commencement of any work. ~~Deference may be given to the approval by a municipality within the county to such properties under the same or similar statutory procedure to coordinate efforts in that regard.~~

To receive preliminary certification a property must meet the following conditions:

1. The owner of the property applies **through the HPC** for, and is granted Historic Designation by Horry County Council; and
2. The proposed rehabilitation receives approval of rehabilitation work from the Horry County ~~Board of Architectural Review~~ **Historic Preservation Commission** ("~~HCBAR~~ **HPC**").

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 ~~HCBAR~~ **HPC** as being consistent with the plans approved by the ~~HCBAR~~ **HPC** as part of preliminary certification; and
3. The minimum expenditures for rehabilitation were incurred and paid. **Receipts for expenditures must be from either architectural or engineering services and/or work performed after receiving Preliminary Certification.**

B. *Historic designation.* As used in this section, "historic designation" means the owner of the property applies for and is granted historic designation by the Horry County Council for the purpose of the special property tax assessment based on one (1) or more of the following reasons:

1. The property is listed in the National Register of Historic Places;
2. The property is designated as a historic property by Horry County Council based upon the criteria set forth in Section 1706 of the [Zoning] Code of Ordinances of Horry County, and is at least fifty (50) years old; or
3. The property is at least fifty (50) years old and is located in a historic district designated by Horry County Council at any location within the geographical area of the county.

(3) A. *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, set forth in Section 1710.2 of the [Zoning] Code of Ordinances of Horry County.

B. *Work to be reviewed.* ~~All~~ 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 public spaces; and
5. Any remaining work where the expenditures for such work are being used to satisfy the minimum expenditures for rehabilitation.

Interior primary public spaces is defined as spatially contained environments which are experienced as belonging to the public sphere including (but not limited to) places of sociability, entertainment, transport, commerce, leisure and culture. These places are used as a matter of free choice as people choose to become users, customers or patrons.

- C. *Minimum expenditures for rehabilitation* means the owner or his estate rehabilitates the building, with expenditures for rehabilitation exceeding twenty-five (25) percent of the fair market value of the building. Fair market value means the appraised value as certified to the HCBAR **HPC** by a real estate appraiser licensed by the State of South Carolina **within six (6) months of the time application is submitted, or** the sales price as delineated in a bona fide contract of sale within six (6) months of the time ~~it~~ **application** is submitted, ~~or the most recent appraised value published by the Horry County Tax Assessor.~~
- D. *Expenditures for rehabilitation* means the actual costs **pertaining to the 25% of rehabilitation under review** 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~~ **preservation of the historical structures designated**; or
 4. Costs necessary to maintain the historic character or integrity of the building.
 5. **Expenses which do not qualify for the tax credit include but are not limited to:**
 - a. **New electrical appliances and electrical or plumbing fixtures;**
 - b. **Repair or replacement to a septic tank or drain field;**
 - c. **Removal or alteration of significant historic features;**
 - d. **New building(s) on site;**
 - e. **Work on non-historic buildings/features; or**
 - f. **Site work for new construction.**
- E. *Scope*. The special tax assessment may apply to the following:
1. Historic structure(s) rehabilitated; and/or
 2. Real property on which the building is located.
- F. *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 completed, but not for more than five (5) years if the project is not complete by that time. **To receive the extension, the owner of the property shall make**

application to the HPC within sixty (60) days prior to meeting the two (2) year time limit from the date of receiving preliminary certification.

(4) Process:

- A. *Fee required.* There is a fee of two hundred fifty dollars (\$250.00) required for final certification with the fee for each application for **Preliminary Certification for** review of rehabilitation work conducted pursuant to this ordinance. ~~Final certification~~ **Applications** will not be **accepted** awarded without payment of this fee.
- B. *Plan required.* Owners of property seeking approval of rehabilitation work must complete **receive a preliminary certification for** rehabilitation of a historic property application with supporting documentation prior to beginning work.
- C. *HCBAR HPC certification.* Upon receipt of the completed applications, **including fee, must be received a minimum of thirty (30) working days prior to the HPC meeting it will be scheduled for.** ~~The proposal shall be placed on the next available agenda of the HCBAR HPC to determine if the project is consistent with the standards for rehabilitation in subsection (3)A.,—above.—After the HCBAR HPC makes its determination, the owner shall be notified in writing.~~

Upon receipt of this determination the owner may:

1. If the application is approved, begin rehabilitation;
 2. If the application is not approved, ~~he~~ **the applicant** may revise such application in accordance with comments provided by the HCBAR **HPC**; ~~or~~
 3. ~~If the application is not approved, he may appeal the decision to the South Carolina Department of Archives and History.~~
- D. *Substantive changes.* Once preliminary certification is granted to an application, substantive changes must be approved by the HCBAR **HPC**. Unapproved substantive changes are conducted at the risk of the property owner and may disqualify the project from eligibility. **Substantive changes after preliminary certification or** ~~Additional~~ expenditures after final certification will not qualify the project for an extension on the special assessment.

Substantive changes are any changes that are;

1. **Any deviation from conditions shown on the Preliminary Certification; or**
 2. **Any changes that are in direct opposition to the approved plans/application; or**
 3. **Any changes seen from adjacent roadways; or**
 4. **Changes to any portion of the rehabilitation that count toward the 25% needed to meet expenditures to qualify for the tax assessment as shown on the application; or**
 5. **Changes to work on any historic feature not stipulated on the application.**
- E. *Final certification.* Upon completion of the project, the project must receive final certification in order to be eligible for the special assessment. The HCBAR **HPC** will

inspect completed projects to determine if the work is consistent with the approval granted by the ~~HCBAR~~ HPC pursuant to subsection 3., 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 subsections (3) ~~C. and D.~~ above. 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 the preliminary certification was made. **The HPC may require any additional information it deems necessary to grant final certification.** If the completed project does not comply with all requirements for final certification, final certification must not be granted and any monies not collected by the county due to the special assessment must be returned to the county.

- F. *Additional work.* For the remainder of the special assessment period after final certification, the property owner shall notify the ~~HCBAR~~ HPC of any additional work, other than ordinary maintenance. The ~~HCBAR~~ HPC 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 and cancel or revise the proposed additional work.
- G. *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 (1) of the following:
1. Written notice by the owner to the ~~HCBAR~~ HPC or and the Horry County Assessor to remove the preferential assessment; **or**
 2. Removal of historic designation by the Horry County Council; or
 3. Rescission of the approval of rehabilitation work by the ~~HCBAR~~ HPC 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.

Under no circumstances shall the sale or transfer of ownership of real property certified and assessed in accordance with this section disqualify the property from receiving the special property tax assessment under this section. This provision shall be applicable and given full force and effect to any special property tax assessment granted prior to the effective date of this paragraph.

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

- H. *Notification.* Upon preliminary and final certification of a property, the Horry County Assessor, ~~Auditor, and Treasurer~~ shall be notified **by staff** that such property has been duly certified and is eligible for the special tax assessment.
- I. *Date effective.* If an application for preliminary certification is filed by May 1 or 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. — ~~Application. Once the Horry County Council has granted the special property tax assessments authorized herein, the owner of the property shall make application to the Horry County Auditor for the special assessment provided for herein.~~

2) **Effective Date:** This Ordinance shall become effective upon Third Reading.

AND IT IS SO ORDAINED, ENACTED, AND ORDERED this 1st day of March, 2022.

HORRY COUNTY COUNCIL




Johnny Gardner, Chairman

Harold G. Worley, District 1
Dennis DiSabato, District 3
Tyler Servant, District 5
Orton Bellamy, District 7
R. Mark Causey, District 9
Al Allen, District 11

Bill Howard, District 2
Gary Loftus, District 4
Cam Crawford, District 6
Johnny Vaught, District 8
Danny Hardee, District 10

Attest:


Patricia S. Hartley, Clerk to Council

First Reading: February 1, 2022
Second Reading: February 15, 2022
Third Reading: March 1, 2022