

Historic Property Tax Program & SB 108-1

Cost of Program	Value of Program
*first year value drop	*rehabilitation of historic property
*delayed recognition of improvements	*recognition of <i>but for</i> improvements on the roll

1. Owner applies.
2. If accepted into the program, must commit 10% of the RMV of the property in rehabilitation.
3. First year property value drop:

Example:

- Property is worth, \$500,000, so owner must commit $\$500,000 \times 10\% = \$50,000$ over first 5 years.
- If, for example, the AV is \$400,000. So that the personal AV/RMV $\$400,000/\$500,000 = .8$.
- In the first year, there is a value drop. The new SAV = $.8 \times \$400,000 = \$320,000$, and increases from there by 3% per year.
- Then, after 10 years, the property would be re-assessed including improvements:
 - Suppose local CPR is .7, then the property would be revalued at $.7 \times \$550,000 = \$385,000$ or if CPR is .8, then AV = \$440,000

Year	Participation Count		Value %		1st Year Revenue Loss	
	Commercial	Residential	Commercial	Residential	Commercial	Residential
2016	6	15	56%	41%	\$ 73,033	\$ 44,241
2017	9	9	76%	17%	\$ 160,603	\$ 27,154
2018	10	6	62%	38%	\$ 44,991	\$ 21,314
2019	4	4	84%	16%	\$ 109,727	\$ 8,950
2020	6	4	76%	15%	\$ 35,993	\$ 5,438

Current Program:

- There are an approximately equal number of residential properties and business properties
- According to most recent DOR Tax Expenditure Report \$10 million loss in current year.
- After 10 years, property gets re-MAV'd including the improvements and re-entered on the Roll.
- Sunsets 2022

SB 108-1

- Commercial properties only allowed going forward.
- Ten year waiting period, for existing participants, one allowed renewal.
- Six-year sunset