

# BAILEY BILL

## PROGRAM OVERVIEW

### Purpose:

The Bailey Bill (SC Code of Laws §4-9-195 and §5-21-140) authorizes local governments to offer a special property tax assessment for rehabilitated historic buildings.

The main feature of the Bailey Bill is to assess property on the **pre-rehabilitation fair market value** for up to twenty (20) years. This means the owner of a historic structure continues to pay property tax on the pre-rehab value of the property, but does not pay tax on the increased value due to the renovations for up to twenty (20) years. A minimum of 20% of the fair market value of the building must be spent on qualified rehabilitation expenditures.

### Eligibility:

Buildings must be:

- Listed on the National Register of Historic Buildings individually or a contributing property in a district; or
- Determined eligible for the National Register by SC Dept. of Archives & History (SCDAH); or
- Designated Historic by City Council

For buildings that do not fall under one of the three categories mentioned above, an owner may apply to the Architectural Review Board for designation. The structure must be at least 50 years old and demonstrate historic significance by meeting at least one of several criteria; three of which are listed here: association with historical events; association with the lives of significant people; or architectural importance.

### Other Qualifications:

The rehabilitation work must meet the standards of the Historic Preservation ordinance as adopted in city code (attached) and be approved as appropriate for the historic building and historic district in which it is located. The Architectural Review Board, as the reviewing authority, will approve the proposed work plan. Note: Exterior walls must remain intact.

### Application:

To be eligible for the special tax assessment for City tax only, a historic property owner must apply for Preliminary Certification prior to beginning work. The application includes documentation of fair market value, historic designation, and a thorough description of the rehabilitation planned. Once the Preliminary Certification is approved, work may begin and must be completed within two (2) years. Upon completion of the project, the owner submits a Final Certification form, invoices to document qualified expenditures, and pays a fee (\$150.00 for single family and/or duplex structures or \$300.00 for all other structures). The work will be inspected and if approved, County officials will be notified that the property has been duly certified and is eligible for the special tax assessment established at the time the preliminary certification was made.