

**LOCAL TAX INCENTIVES FOR IMPROVEMENTS TO HISTORIC PROPERTIES
STATE CONSTITUTIONAL AMENDMENT/BACKGROUND**

In November of 1992 voters across the State of Florida overwhelmingly passed an amendment to the State Constitution which allows a county or municipality to grant historic preservation ad valorem tax exemptions to owners of historic properties who are engaged in rehabilitation which meets approved historic preservation guidelines.

MIAMI-DADE COUNTY:

In March of 1993, the County became the first in the State to adopt an ordinance allowing for historic preservation tax incentives on that portion of the taxes levied by the County.

CITY OF CORAL GABLES:

In May of 1993, the City Commission enacted an ordinance allowing for the City's portion of the ad valorem taxes to be frozen at the rate before any improvements for a period of ten years. This provision is codified in Division 5, Chapter 11 of the Code of the City of Coral Gables.

FREQUENTLY ASKED QUESTIONS

QUESTION: Does the property tax exemption application take the place of the Certificate of Appropriateness process?

ANSWER: No, the Certificate of Appropriateness is still required for any improvements to a historical property, and must be process whether or not the owner is applying for the tax incentives.

QUESTION: On what basis are the improvements judged to be qualifying?

ANSWER: Both the City and County use the Secretary of the Interior's Standards for Rehabilitation as a means for judging the appropriateness of the alterations or additions proposed.

QUESTION: Are improvements to the interior of the historic property reviewed upon application for the historic property tax exemption?

ANSWER: Yes, although the City's own preservation ordinance requires only the review of exterior changes to the property, for tax exemption purposes the entire project is reviewed for its compliance with the Secretary of the Interior's Standards for Historic Preservation Projects.

QUESTION: What does the review of the interior entail?

ANSWER: The staff looks for any impact to interior detail that expresses craftsmanship or character, which might include moldings, original flooring materials, fireplaces, niches, open beamed ceilings, window treatments, staircase details such as turned balusters, etc. Details such as these should be retained or reused whenever possible.

For further information and application forms, contact:

City of Coral Gables
Historical Resources Department
PO Box 141549
Coral Gables, FL 33114-1547
(305) 460-5093
email: hist@coralgables.com

APPLICATION PACKAGE

HISTORIC PRESERVATION PROPERTY TAX EXEMPTION FOR PROPERTY TAXES LEVIED BY THE CITY OF CORAL GABLES, FL

On May 11, 1993 the City of Coral Gables enacted Ordinance No. 3027 which authorized granting an exemption from increases to ad valorem taxes for qualified improvements to properties listed in the Coral Gables Register of Historic Places, for a period of ten years. Prior to this, Metropolitan-Dade County had enacted the same legislation for ad valorem taxes levied by the County.

The attachment (produced by Miami-Dade County's Office of Historic Preservation in association with this office) should be completed to apply for exclusion from increases to both the City of Coral Gables and Miami-Dade County's portion of the ad valorem taxes. The two offices will process the application following mutually established procedures through both the City and County Commissions.

For further information, contact the Historical Resources Department at (305) 460-5093.

ELIGIBLE IMPROVEMENTS TAX EXEMPTION FOR HISTORIC PROPERTIES

The City Of Coral Gables has patterned its regulations, application and process after the Rules of the Department of State, Division of Historical Resources, in implementing Rule 1A-38, Florida Administrative Code "Tax Exemption for Historic Properties," and Section 196.1997 and 196.1998, Florida Statutes "Ad Valorem Tax Exemptions for Historic Properties."

Exemptions for historic properties are intended for the physical improvements necessary to restore or rehabilitate the historic resource, which may include additions, alterations and new construction. Those improvements usually affect the historic resource physically and are above grade.

(While the Property Appraiser will evaluate each application on a case-by-case basis, the following provides some general guidelines):

ELIGIBLE IMPROVEMENTS

(This list is not intended to be all-inclusive).

- Additions physically connected to the historic buildings
- New Mechanical/and electrical systems

INELIGIBLE IMPROVEMENTS

(This list is not intended to be all inclusive).

AT GRADE: Swimming pools
 Tennis Courts
 Landscape features to include cabanas; gazebos; trellises; fountains
 Resurfacing/upgrading of paved surfaces

In applications where ineligible site improvements are made in conjunction with the total rehabilitation project; the Miami-Dade County Property Appraiser's office will adjust the ad valorem tax exemption accordingly.

HISTORIC PRESERVATION IN PROPERTY TAX EXEMPTION FOR PROPERTY TAXES LEVIED BY MIAMI-DADE COUNTY, FL

INSTRUCTIONS:

PURPOSE:

The purpose of this legislation is to encourage historic preservation by "freezing" ad valorem taxes at the rate they were assessed before improvements are made. This "freezing" is accomplished by removing from the assessment the incremental value added by the authorized improvements. This exemption does not apply to assessed land value, only to value or the "improvements."

AUTHORITY:

The granting of tax exemptions to owners who make improvements to historic properties was authorized by an amendment to the Florida Constitution and codified in Section 196.1997 and 196.1998 Florida Statutes.

The County authorized the exemption for its portion of ad valorem taxes for improvements to historic properties either designated as historic properties by Miami-Dade County or within a municipality that administers its own preservation ordinance, on March 2, 1993. That legislation is contained in Section 16A-18 of the Code of Miami-Dade County, Florida, and became effective 1 April, 1993.

APPLICATION PROCESS:

For historic properties located within municipalities that are Certified Local Governments (CLGs), applications for the tax exemption will be reviewed in conjunction with a Certificate of Appropriateness and forwarded to the County Historic Preservation Board with a completed application for tax exemptions.

In the case of properties located in the CLGs, applications for the ad valorem tax exemption will be completed by the owner with the local historic preservation office and submitted to that office for review and recommendation of the local Historic Preservation Board. The Board will then transmit the application, supporting documents, and recommendation to the Miami-Dade Office of Historic Preservation for further processing.

HISTORIC PRESERVATION PROPERTY TAX EXEMPTION FOR PROPERTY TAXES LEVIED BY MIAMI-DADE COUNTY, FL

For historic properties located in municipalities that are not CLGs, but with their own historic preservation boards and ordinances, owners must complete the application with the assistance of the County Historic Preservation Office. The completed application and supporting documents will be scheduled for review and recommendation before the Miami-Dade Historic Preservation

Board. Applications must be submitted with an approved Certificate of Appropriateness by the local board.

MIAMI-DADE PROCESS:

1. The director of the Historic Preservation Office shall schedule the presentation of the ad valorem tax exemption request before a regularly scheduled meeting of the Miami-Dade County Historic Preservation Board.
2. The Miami-Dade County Historic Preservation Board, after having taken into account the recommendation of the local Historic Board, shall make their recommendation to the appropriate subcommittee of the Miami-Dade County Commission.
3. The owner of the property claiming the ad valorem tax exemption shall enter into a covenant with the Board of County Commissioners to the effect that the property and its qualifying improvements will be maintained for the duration of the period for which the exemption is granted.
4. The Director of the Miami-Dade Office of Historic Preservation shall schedule the request for the ad valorem tax exemption before the County Commission, along with the recommendations of the Miami-Dade County Historic Preservation Board.
5. A majority both of the County Commission shall be required for the exemption to be approved. Exemptions must be approved by an ordinance of Board of Commissioners and therefore, must have two readings. Should the exemption be granted, such exemption will take effect on the January 1st following substantial completion of the improvement.

SUBSTANTIAL COMPLETION

1. The owner shall contact the municipal Historic Preservation Office to request the certification of the substantial completion of the project.
2. The Staff of the preservation office will ascertain that the improvement(s) have been made in accordance with the approved set of plans, specifications, and any other illustrative materials. The staff will then transmit that information to the Miami-Dade County Historic Office of Preservation for registration with the County's tax office.

**HISTORIC PRESERVATION PROPERTY TAX EXEMPTION
FOR PROPERTY TAXES LEVIED BY MIAMI-DADE COUNTY, FL**

ATTACHMENTS

The following attachment must be included with your application. If you are unable to provide any of these items, please contact the Historic Preservation staff reviewing your application to find out if your support material is adequate.

1. Labeled 3 ½" x 5" photographs (black and white or color) of each facade and affected details.
2. Architectural plans or drawings for proposed work.
3. Current tax roll print-out (called Public Value Inquiries or PVIs available from the Property Appraisal Office at 111 SW 1st Street, Miami-Dade Government Center, Suite 710).
4. If your historic property is in a municipality with its own historic preservation ordinance and board (Hialeah, Miami Beach, Miami Shores, Miami Springs, Opa-Locka, South Miami), you must also submit an approved Certificate of Appropriateness from the municipal board with this application to the Miami-Dade Office of Historic Preservation.
5. If your historic property is in one of the three municipalities with historic preservation boards that are Certified Local Governments (currently: Miami, Coral Gables, Homestead), the entire Historic Preservation Property Tax Exemption application package must be submitted with a review and recommendation completed by the local historic preservation staff and board, to the Miami-Dade Historic Preservation Division for final review and processing.

**CITY OF CORAL GABLES, FLORIDA
ORDINANCE NO. 3027**

AN ORDINANCE AMENDING "CODE OF CITY OF CORAL GABLES" CHAPTER 11, ENTITLED "HISTORIC PRESERVATION", ARTICLE II, BY ADDING PROVISION 5, ENTITLED "TAX EXEMPTIONS FOR HISTORIC PROPERTIES"; AUTHORIZING AD VALOREM TAX EXEMPTIONS FOR HISTORIC PROPERTIES; ESTABLISHING REQUIREMENTS AND PROCEDURES; DESIGNATING CORAL GABLES HISTORIC PRESERVATION BOARD TO REVIEW AND REPORT ON APPLICATION; ESTABLISHING PENALTIES; AND REPEALING ALL ORDINANCES INCONSISTENT HEREWITH.

WHEREAS, the citizens of Florida have amended the Florida Constitution to authorize counties and municipalities to allow certain tax exemptions for historic properties [Florida Constitution, Article VII, Sec. 3(e)]; and

WHEREAS, the Florida legislature has enacted Secs. 196.1997 and 196.1998 Florida Statutes, to govern the allowance of such exemptions;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSION OF THE CITY OF CORAL GABLES:

SECTION 1. That Chapter 11 "Historic Preservation", Article II, of the "Code of the City of Coral Gables" is hereby amended by adding Division 5 entitled "Tax Exemptions for Historic Properties", as hereinafter set forth:

Division 5. Tax Exemptions for Historic Properties

- (a) Scope of Tax Exemptions. A method is hereby created for the City Commission to allow tax exemptions for the restoration, renovation, or rehabilitation of historic properties. The exemption shall apply to 100 percent of the assessed value of all improvements to historic properties, which result from restoration, renovation, or rehabilitation made on or after the effective date of this ordinance. The exemption applies only to taxes levied by the City of Coral Gables. The exemption does not apply to taxes levied for the payment of bonds or to taxes authorized by a vote of the electors pursuant to section 9(b) or section 12, Article VII of the Florida Constitution. The exemption does not apply to personal property.
- (b) Duration of Tax Exemptions. Any exemption granted under this section to a particular property shall remain in effect for 10 years, as specified in the ordinance approving the exemption. The duration of 10 years shall continue regardless of any change in the authority of the City to grant such exemptions, or any changes in ownership of the property. In order to

retain an exemption, however, the historic character of the property, and the improvements which qualified the property for an exemption, must be maintained over the period for which the exemption was granted.

(c) Eligible Properties and Improvements.

(1) Property is qualified for an exemption under this section if:

(A) At the time the exemption is granted, the property is:

- (1) Individually listed in the National Register of Historic Places pursuant to the National Historic Preservation Act of 1966, as amended, or;
- (2) A contributing property within a National-Register-listed district; or
- (3) Individually listed in the Coral Gables Register of Historic Places, or noted as a contributing structure within a designated local historic district as enacted by ordinance of the City Commission.

(B) The Historic Preservation Board has certified to the City Commission that the property for which an exemption is requested satisfies paragraph (A).

(2) In order for an improvement to a historic property to qualify the property an exemption, the improvement must be:

- (A) Consistent with the United States Secretary of the Interior's Standards for Rehabilitation; and
- (B) Determined by the Historic Preservation Board to meet criteria established in rules adopted by the Department of State.

(d) Applications. Any person, firm, or corporation that desires ad valorem tax exemption for the improvement of a historic property must, in the year the exemption is desired to take effect, file with the Historic Preservation Division a written application on a form approved by the Department of State. All Applicable fees shall be paid at the time the application is submitted. The application must include the following information:

(1) The name of the property owner and the location of the historic property.

- (2) A description of the improvements to real property for which an exemption is requested and the date of commencement of construction of such improvements.
 - (3) Proof, to the satisfaction of the Historic Preservation Board, that the property that is to be rehabilitated or renovated is a historic property under this section.
 - (4) Proof, to the satisfaction of the Historic Preservation Board that the improvements to the property will be consistent with United States Secretary of the Interior's Standards for Rehabilitation and will be made in accordance with guidelines developed by the Department of State.
 - (5) Other information identified in appropriate Department of State Regulations.
- (e) Required Covenant. To qualify for an exemption, the property owner must enter into a covenant or agreement with the City Commission for the term for which the exemption is granted. The form of the covenant or agreement must be established by the Department of State and must require that the character of the property, and the qualifying improvements to the property, be maintained during the period that the exemption is granted. The covenant or agreement shall be binding on the current property owner, transferees, and their heirs, successors, or assigns. Violation of the covenant or agreement results in the property-owner being subject to payment of the differences between the total amount of taxes which would have been due in March in each of the previous years in which the covenant or agreement was in effect had the property not received the exemption and the total amount of taxes actually paid in those years, plus interest on the difference calculated as provided in FS Sec. 212.12(3).
- (f) Review by Historic Preservation Board. The Historic Preservation Board, or its successor, is designated to review applications for exemptions. The Historic Preservation Board must recommend that the City Commission grant or deny the exemption. Such reviews must be conducted in accordance with rules adopted by the Department of State. The recommendation, and the reasons therefore must be provided to the applicant and to the City Commission before consideration of the application an official meeting.
- (g) Approval by the City Commission. A majority vote of the City Commission shall be required to approve a written application for exemption. Such exemption shall take effect on the January 1 following substantial completion of the improvement. The City Commission shall include the following in the resolution of ordinance approving the written application for exemption.
- (1) The name of the owner and the address of the historic property for which the exemption is granted.

- (2) The period of time for which the exemption will remain in effect and the expiration date of the exemption.
- (3) A finding that the historic property meets the requirements of this section.

Section 2. That all ordinances or parts of ordinances inconsistent or in conflict herewith shall be and they are hereby repealed insofar as there is conflict or inconsistency.

PASSED AND ADOPTED THIS ELEVENTH DAY OF MAY, A. D., 1993.

APPROVED:

RAUL J. VALDES-FAULI
MAYOR

ATTEST:

VIRGINIA L. PAUL
CITY CLERK
W/T (5)