

ORDINANCE NO. 2016-45

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELTON, TEXAS, ESTABLISHING A HISTORIC TAX EXEMPTION PROGRAM FOR THE CITY OF BELTON; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN OPEN MEETINGS CLAUSE.

WHEREAS, a hearing was held upon the amendments by the City Council of the City of Belton of the time, place and date herein before set forth; and

WHEREAS, the Historic Preservation Commission and City Council recognize the need to incentivize historic preservation through local property tax exemptions; and

WHEREAS, the City's primary objective is to encourage investment in historic Belton properties; and

WHEREAS, the tax exemption is proposed for designated local landmarks and historically significant properties within local historic districts that undergo substantial rehabilitation; and

WHEREAS, an ad valorem tax exemption will create an abatement for up to five years on increases in City of Belton property taxes resulting from an approved renovation to a historic building; and

WHEREAS, the entire community benefits from improved property values, neighborhood revitalization, and overall quality of life.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELTON, TEXAS:

PART 1: The Historic Tax Exemption Program for the City of Belton, Texas, is hereby adopted, as shown in the attached Exhibit "A".

PART 2: If any provision of this ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

PART 3: This ordinance shall take effect immediately, after its passage in accordance with the provisions of the Charter of the City of Belton, Texas, and it is accordingly so ordained.

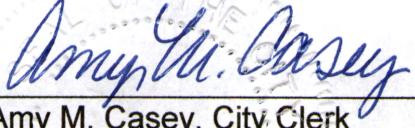
PART 4: It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

PASSED AND APPROVED on this the 11th day of October, 2016.



Marion Grayson, Mayor

ATTEST:



Amy M. Casey, City Clerk

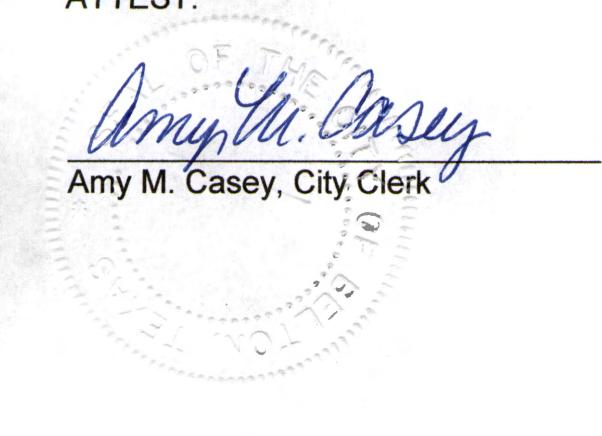


Exhibit A

CITY OF BELTON, TEXAS



HISTORIC TAX EXEMPTION PROGRAM

Adopted October 11, 2016

SECTION I: PURPOSE AND AUTHORITY

a) **Purpose.** The purpose of this ordinance is to encourage economic development through the revitalization and preservation of the city's historic properties, including but not limited to residential properties, and to assist in accomplishing the following goals:

- 1) Revitalize older neighborhoods to build and capture a stable tax base
- 2) Support private sector investment in historic properties
- 3) Encourage home ownership
- 4) Encourage low- and moderate-income families to invest in historic districts

b) **Authority for tax exemptions.** The tax exemptions in this program are adopted pursuant to the authority provided in Article 8, Section 1-f of the Texas Constitution and Section 11.24 of the Texas Tax Code.

- 1) These tax exemptions apply only to city property taxes and not to taxes owed to other taxing units.
- 2) Nothing in this ordinance relieves a person from the responsibility to apply each year to the appraisal district for a tax exemption pursuant to the requirements of the Texas Tax Code.

SECTION II: DEFINITIONS

The following definitions apply to this ordinance:

- a) APPRAISAL DISTRICT means the Bell County Tax Appraisal District.
- b) AUTHORIZATION means a letter from the Historic Preservation Officer documenting the completion of qualifying work.
- c) CERTIFICATE OF APPROPRIATENESS means an approved application, as required by the historic preservation ordinance and documented by the issuance of a Certificate of Appropriateness, for work involving any change to the exterior of the property (including paint color).

- d) **HISTORICALLY SIGNIFICANT STRUCTURE** means a main structure located within a local historic overlay district that meets the standards set forth in Section 29.7, Criteria for Designation of Historic Properties or Districts, of the Historic Preservation Ordinance of the City of Belton, or a designated local landmark.
- e) **HISTORIC DISTRICT** means an historic overlay district created pursuant to the Zoning Ordinance.
- f) **MINIMUM EXPENDITURE** means the amount that must be spent on rehabilitation to make a property owner eligible for a tax exemption in this article.
- g) **PRE-IMPROVEMENT VALUE** means the appraised value of the property on the city's certified appraisal roll prepared by the appraisal district as of January 1 of the year an application is submitted for a tax exemption.
- h) **QUALIFYING EXPENSES** means third-party labor and materials for interior or exterior repair or replacement of features that help preserve a historic property and become a permanent part of the building or site, such as cabinetry, cable and electrical wiring, carpentry, facilities for required parking, fixtures, flooring, roof, foundation, walls, electrical, plumbing, HVAC, structural, paint, paving connecting the building to right-of-way.
- i) **REHABILITATION** means the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.
- j) **RESTORATION** means the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time by means of the removal of features from other periods in its history and reconstruction of missing features from the restoration period. The limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate within a restoration project.

SECTION III: TAX EXEMPTION ELIGIBILITY

- a) **Eligibility.** Only designated local landmark properties or properties containing a historically significant main structure within a local historic overlay district, except the Downtown Belton Commercial Historic District, are eligible to apply. If a property is determined to be eligible, the property is therefore deemed to be a historically or archeologically significant structure in need of a tax relief in order to encourage its preservation.
- b) **Determination of eligibility.** Determinations of eligibility shall be made in accordance with the following criteria:
 - 1) Any historically significant property within the city historic overlay district, except the Downtown Belton Commercial Historic District, or any structure which has been designated a local landmark, shall be considered as having met the historic significance criteria.

- 2) Any property not yet a designated local landmark or located within a city historic overlay district, except the Downtown Belton Commercial Historic District, may qualify as historically significant if it contains a main structure that has been deemed historic by the National Park Service (through listing on the National Register of Historic Places) or the Texas Historical Commission (through designation as a Recorded Texas Historic Landmark), or which meets the standards established in Section 29.7, Criteria for Designation of Historic Properties or Districts of the Historic Preservation Ordinance. If a property qualifies as historically significant, the property owner shall make an application to include the property within a local historic district (if a contiguous connection can be made) or to designate the property as a local landmark, prior to submission of a tax exemption application.
- c) **Preservation and maintenance.** The following items shall be considered in determining whether a historic site has been maintained in accordance with minimum property, structural and health standards:
 - 1) Any well, cesspool or cistern shall be securely covered or closed;
 - 2) Dead trees and tree limbs that are reasonably capable of causing injury to a person shall be removed;
 - 3) Any structure or portion of a structure which is vacant shall be securely closed so as to prevent unauthorized entry;
 - 4) Paint or other coatings shall be applied at reasonable intervals so as to protect the exterior surfaces of a structure which are subject to decay;
 - 5) The exterior grounds shall be maintained free of excessive rubbish, garbage, junk or refuse;
 - 6) Screens and shutters existing at the time of historic designation or added subsequent thereto shall be maintained in good repair;
 - 7) Broken window glass shall be replaced or reglazed;
 - 8) Exterior doors and doorways shall be maintained in good repair and operable condition;
 - 9) Skirting around the structure, if any, shall be maintained in good repair;
 - 10) Porch flooring and supports shall be maintained in a sound condition, capable of safely bearing an imposed load;
 - 11) Railings and handrails of exterior stairs, steps, balconies, porches and other exterior features shall be maintained in a sound condition so as to afford safety;
 - 12) Rotted exterior wood shall be replaced and repainted;
 - 13) Broken or partially missing gutters or downspouts shall be replaced or repaired;
 - 14) Loose bricks or stones in the exterior of a structure shall be re-established or replaced and all joints weatherproofed by proper maintenance of appropriate materials;
 - 15) Fences and the exteriors of accessory buildings shall be maintained in reasonable repair, including painting if applicable; and
 - 16) The property shall be kept in conformance with all city codes.

SECTION IV: STANDARDS FOR TAX EXEMPTION

- a) **Minimum required investment.** Historically significant properties that complete major rehabilitation or restoration are eligible for the tax exemption. The proposed rehabilitation or restoration project must include substantial improvements which equal at least 25% of the pre-improvement assessed value of the property. Only eligible expenditures and work undertaken after City Council action may be counted in determining whether the project meets that threshold; other work will not be counted. The ad valorem tax exemption will create an abatement for up to five years on increases in City of Belton property taxes resulting from an approved renovation to a historic. This exemption only applies to the taxable value for the purposes of calculating City of Belton ad valorem taxes. It will not apply to Bell County, Clearwater U.W.C.D., or BISD school taxes.
- b) **Qualifying expenditures.** Rehabilitation or restoration expenditures may include the following items if done in compliance with all city regulations, building codes, and ordinances:
 - 1) Foundation repair, upgrade, or replacement
 - 2) Exterior wall repair, weather-proofing, and insulation
 - 3) Exterior painting
 - 4) Window repair, weather-proofing, and insulation
 - 5) Roof repair or replacement, including roofing materials, and structural, venting, and drainage systems
 - 6) Electrical repair or replacement.
 - 7) Heating, venting, and air conditioning repair, installation, or replacement
 - 8) Plumbing repair or replacement
 - 9) Fireplace repair or replacement
 - 10) Porch repair
- c) **Proof of expenditure.** Proof of qualifying expenditures must be provided within 12 months after the City Council's determination of eligibility.
- d) **Value and duration.**
 - 1) The added value of the historic property over the pre-rehabilitation value will be exempt from city property tax.
 - 2) The tax exemption will begin as soon as possible after authorization and have a duration of up to five years.
 - 3) Property owners are eligible to re-apply for a tax exemption a minimum of two years after the previous tax exemption has expired. Abatements won't be granted concurrently and a minimum of two years between abatement periods is required for the same structure.

e) **Eligibility Verification.** The Historic Preservation Officer shall check the information supplied on the form and sign the form if the applicant has complied with the requirements of this section.

SECTION V: APPLICATION FOR A HISTORIC TAX EXEMPTION

Each application must be signed by the owner and must include the following information:

- a) The legal description of the property.
- b) Photographs and drawings of the property before rehabilitation, including all exterior facades and any other area where rehab will be performed, clearly showing the condition of the property before work was undertaken.
- c) Estimates (dated within 90 days of the application) of the costs for the rehabilitation or restoration project.
- d) A projection of the construction time and completion date of the rehabilitation or restoration project.
- e) A complete application for any necessary certificate of appropriateness for the rehabilitation or restoration project.
- f) The proposed use of the property after completion of work to which the tax exemption applies.
- g) Proof (such as a tax certificate) that property taxes are current.
- h) Any other information that is necessary to the city for determining eligibility, including but not limited to information showing compliance with all applicable health and safety regulations.

Upon receipt of a complete application for a tax exemption, the Historic Preservation Officer shall review the application and determine if the property is eligible for a tax exemption. The Historic Preservation Officer will schedule the matter for a hearing before the Historic Preservation Commission and City Council to determine whether the property is eligible for a tax exemption.

Application forms are to be available at the planning department in city hall. The application shall affirmatively set forth the owner's authorization for the Historic Preservation Officer to visit and inspect the historic property, as well as examine the books and records as necessary, to certify whether or not the property qualifies based upon the criteria of this section.

SECTION VI: TAX EXEMPTION PROCEDURES

a) **Tax assessment of historic properties.** The city's Historic Preservation Officer shall recommend historic structures for which applications for exemptions are pending. The recommendation of the Historic Preservation Officer shall be forwarded to the chief appraiser of the appraisal district for review. The chief appraiser shall provide the pre-improvement assessed value of the property.

- b) **Procedure before the Historic Preservation Commission.** Upon receipt of the recommendation of the Historic Preservation Officer, the Historic Preservation Commission shall review and make a recommendation for approval or disapproval of the application for exemption to the City Council. The Historic Preservation Commission will also determine whether the proposed project meets the requirements for a Certificate of Appropriateness.
- c) **Procedure before the City Council.** Upon receipt of the recommendation of the Historic Preservation Commission, the City Council shall hold a public hearing concerning same, at which parties in interest and citizens shall have the opportunity to be heard. At least 10 days' prior notice of the time and place of such hearing shall be afforded the applicants by regular mail. The City Council shall be at liberty to either approve, deny or take other action upon the recommendation of the Historic Preservation Commission. The City Council shall enact an ordinance for properties approved for tax abatement.
- d) **Review by Historic Preservation Officer.** The Historic Preservation Officer shall inspect the historic property to verify compliance with the requirements of this ordinance.
- e) **Letter of authorization.** If the Historic Preservation Officer determines that the rehabilitation or restoration project has been satisfactorily completed as proposed and qualifies for a tax exemption, the Historic Preservation Officer shall send a letter of authorization to the appraisal district and the property owner. The chief appraiser of the tax appraisal district shall determine an assessment of the real and personal property eligible for the tax exemption. The letter of authorization for a tax exemption on a property, or for a new tax exemption on the same property, must include a copy of the City Council ordinance.
- f) **Notice of denial.** If the Historic Preservation Officer denies the letter of authorization, the Historic Preservation Officer shall notify the applicant of this fact in writing, stating the deficiencies that must be corrected or the specific reasons for denial. Notice is given by depositing the notice, properly addressed and postage paid, in the United States mail. The notice must be sent to the address shown on the application. If the applicant remedies the deficiencies in time for the appraisal district to provide that year's tax exemption, the Historic Preservation Officer shall send a letter of authorization to the appraisal district and the applicant, otherwise, the tax exemption must be sent to the appraisal district for the next year's tax exemption.
- g) **Appeal.** The decision of the Historic Preservation Officer to deny the letter of authorization may be appealed to the City Council. An appeal is made by filing a written request with the Historic Preservation Officer. The request must be filed within 30 days after the date of written notice is given to the

applicant of the Historic Preservation Officer's decision. In considering the appeal, the sole question shall be whether the Historic Preservation Officer erred in determining that the applicant does not qualify, and, in this connection, the City Council shall consider the same standards that were required to be considered by the Historic Preservation Officer.