

COUNCIL OF THE CITY OF ABERDEEN
Ordinance No. 18-O-08

Date Introduced: April 9, 2018

Sponsored By: Councilwoman Sandra J. Landbeck and Councilman Melvin T. Taylor

Public Hearing: April 23, 2018

Amendments Adopted:

Date Adopted: May 7, 2018

Date Effective: May 28, 2018

AN ORDINANCE concerning

BUSINESS INCENTIVE SUBCLASS

FOR the purpose of creating a Business Incentive Subclass of real property in the TOD District for purposes of City real property taxation; providing criteria for inclusion in the subclass; authorizing the creation of additional subclasses for purposes of real property taxation; providing for the rate of taxation of real property within the Business Incentive Subclass; and generally relating to the creation of one or more Business Incentive Subclasses of real property in the City of Aberdeen.

BY adding
Chapter 482. Taxation
Article VII, BUSINESS INCENTIVE SUBCLASS
Sections 482-15 through 482-18
Code of the City of Aberdeen (2010 Edition as amended)

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW

((Double Parenthesis)) indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-Out~~ indicates matter stricken from bill by amendment or deleted from the law by amendment.

* * * indicates existing unmodified text omitted from Ordinance

SECTION 1. BE IT ENACTED BY THE COUNCIL OF THE CITY OF ABERDEEN, that new Article VII, BUSINESS INCENTIVE SUBCLASS, consisting of

Sections 482-15 through 482-18, inclusive, are added to Chapter 482, Taxation, of the Code of the City of Aberdeen (2010 Edition as amended), to read as follows:

Chapter 482: Taxation

ARTICLE VII. BUSINESS INCENTIVE SUBCLASS

§ 482-15 DEFINITIONS.

A. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED:

(1) "SUBCLASS" MEANS A BUSINESS INCENTIVE SUBCLASS OF REAL PROPERTY FOR PURPOSES OF MUNICIPAL PROPERTY TAXATION ESTABLISHED BY § 482-16.

(2) "TAX YEAR" MEANS THE PERIOD OF JULY 1 THROUGH THE FOLLOWING JUNE 30.

§ 482-16 SUBCLASS ESTABLISHED.

A. THERE IS A SUBCLASS OF REAL PROPERTY FOR PURPOSES OF MUNICIPAL REAL PROPERTY TAXATION KNOWN AS THE BUSINESS INCENTIVE SUBCLASS I.

B. THE BUSINESS INCENTIVE SUBCLASS I SHALL HAVE A DURATION OF THREE YEARS, FROM JULY 1, 2019 THROUGH JUNE 30, 2022.

C. THE CITY COUNCIL BY ORDINANCE MAY DESIGNATE ADDITIONAL BUSINESS INCENTIVE SUBCLASSES. FOR EACH ADDITIONAL SUBCLASS THE CITY COUNCIL SHALL DESIGNATE THE CRITERIA FOR INCLUSION IN THAT SUBCLASS, THE DURATION OF THAT SUBCLASS, AND THE RATE OF TAXATION OF REAL PROPERTY WITHIN THAT SUBCLASS.

§ 482-17 TAXATION OF REAL PROPERTY IN SUBCLASS.

A. THE CITY COUNCIL, AS PART OF THE CITY'S ANNUAL BUDGET PROCESS, MAY ESTABLISH A MUNICIPAL PROPERTY TAX RATE TO BE LEVIED UPON ALL REAL PROPERTY WITHIN EACH SUBCLASS FOR THE ENSUING TAX YEAR. THIS PROPERTY TAX RATE SHALL BE UNIFORM FOR ALL PROPERTIES WITHIN EACH SUBCLASS.

(1) UNLESS OTHERWISE SPECIFIED BY THE CITY COUNCIL:

I. IN THE FIRST YEAR OF A SUBCLASS THE TAX RATE FOR PROPERTIES WITHIN THE SUBCLASS SHALL BE 1% OF THE RATE OF TAXATION ESTABLISHED FOR REAL PROPERTY THAT IS NOT INCLUDED IN ANY SUBCLASS.

II. IN THE SECOND YEAR OF A SUBCLASS THE TAX RATE FOR PROPERTIES WITHIN THE SUBCLASS SHALL BE 50% OF THE RATE OF TAXATION ESTABLISHED FOR REAL PROPERTY THAT IS NOT INCLUDED IN ANY SUBCLASS.

III. IN THE THIRD YEAR OF A SUBCLASS THE TAX RATE FOR PROPERTIES WITHIN THE SUBCLASS SHALL BE 75% OF THE RATE OF TAXATION ESTABLISHED FOR REAL PROPERTY THAT IS NOT INCLUDED IN ANY SUBCLASS.

B. IN ANY TAX YEAR FOR WHICH THE CITY COUNCIL ESTABLISHES A PROPERTY TAX RATE TO BE LEVIED UPON ALL PROPERTIES WITHIN A SUBCLASS, ALL PROPERTIES IN THE SUBCLASS SHALL BE TAXED AT THAT RATE.

C. FOR PURPOSES OF MUNICIPAL PROPERTY TAXATION, THE TAX RATE SHALL BE APPLIED TO THE SAME ASSESSMENTS OF REAL PROPERTIES IN THE SUBCLASS AS ARE USED FOR STATE AND COUNTY TAXATION.

§ 482-18 DESIGNATION OF REAL PROPERTY IN BUSINESS INCENTIVE I SUBCLASS.

A. THE BUSINESS INCENTIVE I SUBCLASS CONSISTS OF IMPROVED REAL PROPERTY LOCATED IN THE TOD ZONING DISTRICT THAT MEETS ONE OR MORE OF THE FOLLOWING CRITERIA AND SEEKS INCLUSION IN THIS SUBCLASS:

(1) IMPROVEMENTS ON THE PROPERTY ARE A FREE STANDING BUILDING USED FOR RETAIL, RESTAURANT OR PROFESSIONAL OFFICE PURPOSES.

(2) THE IMPROVEMENTS ON THE PROPERTY ARE OCCUPIED BY A COMMERCIAL OR PROFESSIONAL OFFICE USE AFTER THE PROPERTY HAS BEEN VACANT FOR AT LEAST TWO CONSECUTIVE YEARS IMMEDIATELY PRIOR TO THE CURRENT OCCUPANCY.

(3) THE REHABILITATION OF IMPROVEMENTS ON THE PROPERTY TO MEET CURRENT CODE REQUIREMENTS AND SUBSEQUENT OCCUPANCY OF THE IMPROVEMENTS REMOVE THE PROPERTY FROM A BLIGHTED CONDITION.

(4) THE IMPROVEMENTS ON THE PROPERTY ARE USED TO PROVIDE A
NEEDED PUBLIC SERVICE TO RESIDENTS OF THE CITY AS
DETERMINED BY THE CITY COUNCIL.

B. THE CITY COUNCIL SHALL ESTABLISH THE ELIGIBILITY CRITERIA FOR
OTHER SUBCLASSES THAT THE COUNCIL CREATES.

C. IN ORDER FOR AN IMPROVED PROPERTY TO BE INCLUDED IN A SUBCLASS
FOR PURPOSES OF MUNICIPAL PROPERTY TAXATION IN THE ENSUING TAX
YEAR:

(1) THE OWNER OF THE PROPERTY MUST FILE EACH YEAR AN
APPLICATION FOR INCLUSION IN THE SUBCLASS. THE APPLICATION
MUST BE FILED WITH THE CITY MANAGER NOT LATER THAN THE
PRECEDING APRIL 1 OR BY SUCH OTHER EARLIER DEADLINE AS MAY
BE ESTABLISHED BY THE CITY MANAGER. THE APPLICATION MUST
BE SUBMITTED ON A FORM PRESCRIBED BY THE CITY MANAGER.
THE CITY MANAGER MAY REQUIRE AN APPLICANT TO SUBMIT
DOCUMENTS NECESSARY TO SUPPORT THE APPLICATION.

(2) THE CITY COUNCIL MUST DETERMINE THAT THE IMPROVED
PROPERTY MEETS THE CRITERIA OF SUBSECTION A. OF THIS SECTION
AND INFORM THE CITY MANAGER THAT THE PROPERTY MAY BE
TAXED AT RATE FOR THE SUBCLASS IN WHICH THE PROPERTY IS
LOCATED.


**SECTION 2. BE IT FURTHER ENACTED BY THE COUNCIL OF THE CITY
OF ABERDEEN** that this Ordinance shall become effective at the expiration of twenty (20)
calendar days following adoption.

ADOPTED this 7th day of May, 2018.


COUNCIL OF THE CITY OF ABERDEEN



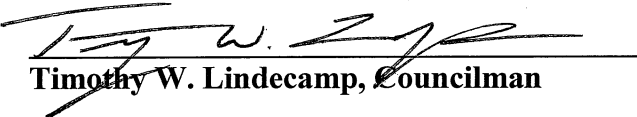
Patrick L. McGrady, Mayor



Steven E. Goodin, Councilman



Sandra J. Landbeck, Councilwoman



Timothy W. Lindecamp, Councilman



Melvin T. Taylor, Councilman

ATTEST:

SEAL:



Monica A. Correll, MMC, City Clerk

Date

May 7, 2018