

COUNCIL OF THE CITY OF ABERDEEN
Ordinance No. 18-O-09

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

1 **AN ORDINANCE** concerning

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3 **Business Improvement Incentive Tax Credit**

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5 **FOR** the purpose of providing for a credit against City of Aberdeen real property taxes to the
6 owners of certain renovated or rehabilitated business real property located within the City
7 of Aberdeen; setting forth the purpose, scope, limitations and calculation of the tax credit;
8 defining certain terms; and all matters generally related to the provision of a business
9 improvement incentive tax credit in the City of Aberdeen.

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13 **BY** adding
14 Chapter 482: Taxation
15 Article VI, Real Property Tax Credits
16 Section 482-12
17 Code of the City of Aberdeen (2010 Edition as amended)
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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

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22 **SECTION 1. BE IT ENACTED BY THE COUNCIL OF THE CITY OF**
23 **ABERDEEN**, That new Section 482-12 is hereby added to the Code of the City of Aberdeen (2010
24 Edition as amended) Article VI, Real Property Tax Credits, Chapter 482, Taxation, to follow
25 immediately after Section 482-11 and to read as follows:

CHAPTER 482 – TAXATION

ARTICLE VI. REAL PROPERTY TAX CREDITS

482-12 BUSINESS IMPROVEMENT TAX CREDIT.

A. THE PURPOSE OF THIS SECTION IS TO PROVIDE FOR A CREDIT AGAINST CITY OF ABERDEEN REAL PROPERTY TAXES TO THE OWNER OF ANY RENOVATED OR REHABILITATED BUSINESS PROPERTY LOCATED WITHIN THE CITY OF ABERDEEN WHERE THE PROPERTY'S ASSESSED VALUE INCREASES AS A RESULT OF THE RENOVATION OR REHABILITATION OF THE PROPERTY.

B. UNLESS A CONTRARY INTENTION CLEARLY APPEARS, WORDS USED IN THE PRESENT TENSE INCLUDE THE FUTURE, THE SINGULAR INCLUDES THE PLURAL, THE TERM "SHALL" IS ALWAYS MANDATORY, AND THE TERM "MAY" IS PERMISSIVE. FOR THE PURPOSE OF THIS SECTION, CERTAIN TERMS ARE DEFINED AS FOLLOWS:

(1) BUSINESS REAL PROPERTY – IMPROVED REAL PROPERTY THAT IS ASSESSED FOR COMMERCIAL USE.

(2) RENOVATION – THE CHANGE, STRENGTHENING, OR ADDITION OF LOAD BEARING ELEMENTS, OR THE REFINISHING, REPLACEMENT, BRACING, STRENGTHENING, UPGRADING, OR EXTENSIVE REPAIR OF EXISTING MATERIALS, ELEMENTS, COMPONENTS, EQUIPMENT OR FIXTURES, OR ALL OF THESE.

I. RENOVATION DOES NOT INCLUDE THE INTERIOR RECONFIGURATION OF SPACE OR PAINTING.

II. RENOVATION INCLUDES THE TOTAL RECONSTRUCTION OF A BUSINESS PROPERTY DESTROYED BY WIND, HAIL, FIRE OR OTHER ACTS OF GOD.

(3) REHABILITATION – THE PROCESS OF RETURNING REAL PROPERTY TO A STATE OF UTILITY, THROUGH REPAIR OR ALTERATION, WHICH MAKES POSSIBLE AN EFFICIENT BUSINESS USE.

C. THE COUNCIL OF THE CITY OF ABERDEEN MAY GRANT A CREDIT AGAINST CITY OF ABERDEEN REAL PROPERTY TAX TO THE OWNER OF ANY QUALIFYING BUSINESS REAL PROPERTY IN THE CITY OF ABERDEEN WHERE AN INCREASE IN THE ASSESSED VALUE OF IMPROVED PROPERTY HAS OCCURRED AS THE DIRECT RESULT OF THE REHABILITATION OR RENOVATION OF THE PROPERTY.

- (1) THE CREDIT SHALL BE A DECLINING PERCENTAGE ON AN ANNUAL BASIS AND SHALL NOT EXCEED FIVE (5) YEARS.
 - (2) IT SHALL BE THE SOLE RESPONSIBILITY OF THE PROPERTY OWNER TO APPLY FOR THE TAX CREDIT, ON A FORM PROVIDED BY THE CITY MANAGER, AND TO PROVIDE DOCUMENTATION SATISFACTORY TO THE CITY MANAGER AS TO THE QUALIFICATIONS OF THE PROPERTY FOR THE CREDIT.
 - (3) THE APPLICATION FOR TAX CREDIT WILL BE REVIEWED BY THE CITY TO DETERMINE IF THE PROPERTY QUALIFIES FOR THE TAX CREDIT, AND THE PROPERTY OWNER(S) WILL BE NOTIFIED OF THE CITY'S DECISION.
- D. THE TAX CREDIT SHALL BE FOR A TERM OF FIVE (5) FULL YEARS OF TAXES, BASED UPON THE RATE OF TAX LEVIED IN YEAR ONE (1), AND SHALL BE CALCULATED AS FOLLOWS:
- (1) ONE HUNDRED PERCENT (100%) CREDIT IN YEAR ONE (1) OF THE NET DIFFERENCE IN TAX BETWEEN THE TAX CALCULATED UPON THE LAST KNOWN FULL YEAR ASSESSED VALUE OF THE IMPROVEMENTS, AS EVIDENCED BY THE LAST OFFICIAL ASSESSMENT NOTICE ISSUED PRIOR TO THE RENOVATION OR REHABILITATION OF THE IMPROVED PROPERTY, AND THE AMOUNT OF TAX CALCULATED BASED UPON VALUE OF THE NEW FULL YEAR ASSESSMENT OF THE IMPROVEMENTS, AS EVIDENCED BY THE NEW OFFICIAL ASSESSMENT NOTICE.
 - (2) EIGHTY PERCENT (80%) CREDIT IN YEAR TWO (2) OF THE NET DIFFERENCE DESCRIBED IN SUBSECTION D(1).
 - (3) SIXTY PERCENT (60%) CREDIT IN YEAR THREE (3) OF THE NET DIFFERENCE DESCRIBED IN SUBSECTION D(1).
 - (4) FORTY PERCENT (40%) CREDIT IN YEAR FOUR (4) OF THE NET DIFFERENCE DESCRIBED IN SUBSECTION D(1).
 - (5) TWENTY PERCENT (20%) CREDIT IN YEAR FIVE (5) OF THE NET DIFFERENCE DESCRIBED IN SUBSECTION D(1).
- E. ANY PROPERTY TAX CREDIT GRANTED PURSUANT TO THIS SECTION SHALL NOT INCLUDE ANY INCREASE IN TAXES LEVIED AS A RESULT OF A TAX RATE INCREASE BY THE CITY OF ABERDEEN.

1 F. THE CREDIT SHALL BE APPLICABLE ONLY TO THOSE PROPERTIES WHICH
2 HAVE COMPLETED RENOVATION OR REHABILITATION ON OR BEFORE JUNE
3 30, 2022.

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5 **SECTION 2. AND BE IT FURTHER ENACTED** that the provisions of this
6 Ordinance shall apply to taxes levied beginning on July 1, 2019, and, subject to the provisions of
7 Section 482-12(F) as enacted by this Ordinance, shall be applicable to the subsequent tax years
8 on or after July 1, 2019.

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10 **SECTION 3. AND BE IT FURTHER ENACTED** that all ordinances or parts of
11 ordinances and all resolutions or parts of resolutions in conflict herewith be and the same are
12 hereby repealed to the extent of such conflict.

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14 **SECTION 4. AND BE IT FURTHER ENACTED**, that this Ordinance shall become
15 effective at the expiration of twenty (20) calendar days after its approval by the Council.

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17 ADOPTED this 7th day of May, 2018.
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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