



# North Smithfield Historic District Commission

Received by the Historic District Commission

Name:

Date submitted:

## Application for Historic Residence Tax Credit

Please complete this application in BLACK or BLUE ink only.  
Illegible/ Incomplete applications will be returned to the applicant.

### PURPOSE

The North Smithfield Town Council finds and declares that preservation of Rhode Island's historic residences enhances an understanding of the state and town's heritage, improves property values, fosters civic beauty, and promotes public education, pleasure, and welfare. The purpose of this ordinance is to allow the town to provide property tax relief to mitigate against the increased assessment of historic houses when they undergo substantial maintenance or rehabilitation  
(Reference: North Smithfield Code of Ordinances, Chapter 6 Finance and Taxation, Section 6.3.13 Historic Residence Tax Credit)

### PART I – GENERAL INFORMATION

<u>Property Address:</u>	<u>Plat:</u>	<u>Lot:</u>
<u>Property Name (if any, including historic):</u>	<u>Original Date of Construction:</u>	
<u>Applicant (Legal Owner of Record):</u>	<u>Telephone:</u>	
<u>Mailing Address:</u>	<u>Email address:</u>	

### PART II – ELIGIBILITY

The North Smithfield Historic District Commission (herein as "NSHDC" and/or "Commission") is tasked with determining whether the property and the proposed maintenance/ rehabilitation work is contributing and consistent with the historic character of the property and/or the historic district in which it is located. The NSHDC adopted its General Standards of Review based on the United States Secretary of Interior's Standard for Rehabilitation.

## Eligibility Criteria

The property must be:

- A. Listed individually in the State and/or National Register of Historic Places, or
- B. Located in an Historic District listed in the State and/or National Register of Historic Places and/or located in a Local Historic District as designated by the NSHDC and approved by the Town of North Smithfield, or
- C. Designated by the Town as an individually listed Local Historic District.
- D. The property must be certified by the NSHDC as a property contributing to the historic character of the district. Refer to Section below titled Determination of Evaluating Significance).
- E. The maintenance or rehabilitation work must be for exterior work only.
- F. The project's cost must be a minimum of \$7500.
- G. The maintenance/ rehabilitation scope of work must be consistent with the historic character of the property or district as determined by the NSHDC General Standards of Review. Approvals are reviewed and granted through the NSHDC application process for a Certificate of Appropriateness. Refer to PART III-Procedure for Owner/ Applicant.

**Exception:** If the property is a residence and is subject to federal depreciation allowance under sections 167 or 168 of the US Tax Code it is not eligible regardless of if any of the above apply).

## Determination of Evaluating Significance

The following General Standards for Significance have been adopted by the NSHDC based on The Secretary of the Interior's Standards for Evaluating Significance within Registered Historic Districts.

- 1) A building contributing to the historic significance of a district is one which by location, design, setting, materials, workmanship, feeling and association adds to the district's sense of time and place and historical development.
- 2) A building not contributing to the historic significance of a district is one which does not add to the district's sense of time and place and historical development; or one where the location, design, setting, materials, workmanship, feeling and association have been so altered or have so deteriorated that the overall integrity of the building has been irretrievably lost.
- 3) Ordinarily buildings that have been built within the past 50 years shall not be considered to contribute to the significance of a district.

To maintain consistency and objectivity in its review, the NSHDC will deliberate on the merits of the criteria listed above.

### **PART III – PROCEDURE FOR OWNER/ APPLICANT**

#### **1) Apply for a Certificate of Appropriateness** (Must receive certification by NSHDC for a property to be eligible).

To determine to certify the proposed maintenance/ rehabilitation, the owner/ applicant must complete an application for a Certificate of Appropriateness which is available online on the Town's website and submit it either directly to the Chairman of the Commission or to the Office of the Building Inspector. A written Resolution to the application shall be provided to the applicant and shall cite one or more of the ten Secretary of the Interior's Standards for Rehabilitation. The guidelines are available in the NSHDC Certificate of Appropriateness application packet or online at <http://www.nps.gov/tps/standards/rehabilitation/rehabiltationguidelines.pdf>

The NSHDC meets once a month and requires sufficient advanced receipt at least 30 days prior to a scheduled meeting to perform its due diligence. Dependent on the number of applications, the review process may extend to another scheduled meeting. The Commission will review applications in the order of submission received and will make every reasonable effort to review on a timely basis. A Special Meeting may be scheduled if deemed appropriate and/or necessary.

#### **2) Grant a restrictive covenant** (for a period equal to the period of tax relief (5 years) or until title to property is transferred).

No historic residence (or historic commercial structure) maintained or rehabilitated may benefit from the provisions of this ordinance unless the owner of the historic residence or commercial historic structure, grants a restrictive covenant to the Commission, agreeing that the historic residence or historic commercial structure, shall retain its use and be maintained in a manner which preserves the historic character of the historic residence's rehabilitated portions historic character for a period equal to the length of the property tax reduction or until title to the property is transferred.

If the property is transferred to a new owner within the period that the tax reduction applies, the tax reduction shall cease and not be applied to the new owner.

#### **3) File an Application for a Certificate of Completion** (include documentation of work performed)

Upon completion of the certified maintenance/ rehabilitation plan, the owner must submit a Certificate of Completion with the Tax Assessor. The Tax Assessor will then notify the NSHDC and the Office of the Building Inspector.

The NSHDC must find that the work performed was consistent with the work cited in the Certificate of Appropriateness and in compliance with the Commission's Standards and Guidelines. To make this determination will require documentation as well as an inspection by the Building Inspector and/or Commission as to the work completed. The NSHDC will then provide a recommendation to the Tax Assessor for the owner's tax relief under the Historic Residence Tax Credit ordinance.

The property tax reduction will commence in the year that the Certificate of Appropriateness has been certified as completed. The ordinance provides for up to twenty percent (20%) reduction in property tax liability (tax credit) for a period of up to five (5) years. The reduction in property tax liability shall equal 4% per year of the total costs of such maintenance/rehabilitation, up to a maximum of 20%, of the total tax property tax bill for each year.

For example, a qualified project costing \$10,000 has been certified by the NSHDC and received a certificate of completion. The property tax relief would be as follows:

Year1: \$400, Year 2: \$400, Year 3: \$400, Year 4: \$400, Year 5: \$400

The property tax relief over five years totals \$2,000 in this example. The calculation of the tax credit and tax assessments are the sole responsibility of the Tax Assessor and not within the domain of the Commission.

#### **PART IV – FORFEITURE**

In the event of the failure of the owner to keep the property non-depreciable or to maintain the property according to the commission's guidelines during the period of the tax reduction, the owner forfeits the property tax reduction retroactive to the date the reduction commenced. All differences in the amount of taxes that were paid and those that would have been due but for the reduction are payable together with interest of twelve percent (12%) per annum from the dates that the payments would have been due and are a lien against the historic residence. If the property is transferred to a new owner within the period that the tax reduction applies, the tax reduction shall cease, and not be applied to the new owner.

#### **PART V – SIGNATURE**

I certify that, *i*) I am the Legal Owner of Record *or* legally authorized to sign on behalf of the property's Legal Owner of Record, and *ii*) all of the information provided in and with this application is true and accurate to the best of my knowledge.

**Applicant Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Applicant Printed Name:** \_\_\_\_\_