

RESOLUTION 12-19202

A RESOLUTION CREATING A CITY OF BILLINGS TAX INCENTIVE PROGRAM FOR REHABILITATING, RESTORING OR EXPANDING EXISTING HISTORIC PROPERTIES OR NEW CONSTRUCTION ON HISTORIC PROPERTIES THAT MEETS ELIGIBILITY CRITERIA OF 15-24-1604 MCA AND REPEALING CITY OF BILLINGS RESOLUTION NO. 90-16273

WHEREAS, the City Council of the City of Billings believes that it is in the public interest that the community's historic properties be rehabilitated, restored or expanded, thereby improving the community's appearance and preserving its heritage; and

WHEREAS, the Montana Legislature has approved, in 15-24-1601 et. seq. MCA, a means for Montana cities to provide tax incentives for remodeling, reconstructing or expanding historic property; and

WHEREAS, the City Council desires to offer those property tax incentives to remodel, reconstruct or expand historic property.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA AS FOLLOWS:

1. That it is in the public interest to encourage historic building remodeling, reconstruction or expansion in the city of Billings through property tax incentives.
2. A tax abatement program is hereby established that meets the requirements set forth in 15-24-1601 et. seq. MCA and applicable Administrative Rules of Montana.
3. The Yellowstone Historic Preservation Board is designated as the local review board and has the duties and authority to determine eligibility for the tax abatement as described in 15-24-1605 MCA.
4. The Yellowstone Historic Preservation Board will adopt design review criteria based on the US Secretary of the Interior's standards for preservation projects or other standards approved by the state historic preservation office.
5. A property that meets the adopted design review criteria is eligible for the tax abatement if it is:
 - a. located within the boundaries of a National Register Historic District and is a contributing structure;
 - b. a newly constructed property within the boundaries of a National Register Historic District that meets design review criteria as being architecturally compatible with the Historic District; or
 - c. listed individually in the National Register of Historic Places

6. 100% of the increase in taxable value resulting from the building remodeling, reconstruction, expansion or new construction is exempt from taxation and applies during the construction period, not to exceed twelve (12) months, and for five (5) years following completion.
7. Property that receives this tax benefit is not entitled to any other exemption or special valuation provided by Montana law during the abatement period.
8. Following certification and during the period of tax abatement, a property that is altered in a way that adversely affects those elements that qualify it as historically contributing shall be disqualified from receiving the tax abatement. If a historic property that has received the tax abatement is disqualified, the owner is liable for back taxes, interest, and a penalty.
9. The tax abatement is limited to the number of mills levied by the local high school district, the local elementary school district and the City of Billings.
10. The City Council must authorize the granting of the tax incentive to any applicant by passing a resolution approving the application of the schedule of tax incentives set forth above in Paragraph 6 or some other schedule, for each existing building or structure as to which the tax incentive is granted.
11. City of Billings Resolution No. 90-16273 is hereby repealed.

AND BE IT FURTHER RESOLVED that property owners are hereby encouraged to apply to the City of Billings for consideration of tax incentives authorized pursuant to Section 15-24-1601 et. seq., M.C.A. for rehabilitating, restoring or expanding historic structures or new construction that meets eligibility criteria and design guidelines.

PASSED AND APPROVED by the City Council this 13th day of August, 2012.

CITY OF BILLINGS



By: Thomas W. Hanel
Thomas W. Hanel, Mayor

ATTEST:

By: Cari Martin
Cari Martin, City Clerk

EXHIBIT A

APPLICATION PROCEDURES FOR CITY OF BILLINGS, MONTANA TAX INCENTIVE PROGRAM FOR REMODELING, RECONSTRUCTING, EXPANDING AND QUALIFYING NEW CONSTRUCTION ON HISTORIC PROPERTIES

- Prospective clients contact Big Sky Economic Development Authority (BSEDA) who acts as the intermediary in the application process, and an initial meeting is scheduled.
- At the initial meeting, prospective client project is discussed to determine if the project meets the tax incentive application criteria. If the project appears to qualify for an incentive, the client is given tax incentive applications, copies of the tax incentive program cited in the *Montana Code Annotated* and copies of the adopting resolutions.
- Clients then complete and return applications and supporting documentation and the applicable processing fee to BSEDA. BSEDA reviews the application for completeness.
- An appointment is then scheduled with the designated City staff to review the project documentation and perform a site visit if needed. This leads to either staff endorsement of the project or a determination that the project does not meet the program criteria.
- City staff will prepare and submit a staff report, accompanied by the application documentation, to the Yellowstone Historic Preservation Board. The Board shall determine whether a property is eligible under 15-24-1604 MCA and is qualified for the tax abatement. The board shall recommend approval, conditional approval or may deny the application for the tax abatement and report its recommendation to the City Council.
- City staff will prepare and submit a staff report, accompanied by the application documentation, and schedule a public hearing with the City Council. The staff report will advise the Council on the Yellowstone Historic Preservation Board's recommendation and why the application should be approved, conditionally approved, including recommended conditions, or denied.
- City staff will prepare a resolution for Council consideration that contains the elements required by state law and administrative rules.
- The City Council will conduct a public hearing on the application at its next available regular meeting and will approve, conditionally approve or disapprove the application.
- BSEDA will send a letter to the applicant regarding the Council's decision, including any conditions of approval.
- When the construction reaches substantial completion, the client contacts BSEDA and schedules a final inspection to determine if the project meets tax incentive requirements and any conditions of approval.
- If the project meets all City and State requirements, BSEDA will work with City staff to prepare and submit a final approval letter and appropriate documentation to the Montana Department of Revenue.