Brian P. Kemp
Governor

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Commissioner

GEORGIA DEPARTMENT *of* COMMUNITY AFFAIRS

State Preferential Property Tax Assessment Program for Rehabilitated Historic Property

During its 1989 session, the Georgia General Assembly passed a statewide preferential property tax assessment (PPTA) program for rehabilitated historic property (Ga. Code Annotated Vol. 36, 48-5-2 – 48-5-7.2). This incentive program is designed to encourage rehabilitation of both residential and commercial historic buildings by freezing property tax assessments for up to nine years. The assessment of rehabilitated property is based on the rehabilitated structure, the property on which the structure is located, and not more than two acres of real property surrounding the structure. This program requires action by the Historic Preservation Division (HPD) of the Department of Community Affairs (DCA) through Rules 110-37-3 and by the appropriate local county tax commission.

What properties are eligible?
The property must be listed or eligible for listing in the Georgia Register of Historic Places either individually, or as a contributing building within a historic district. To find out if a property qualifies, please contact taxincentives@dca.ga.gov.

Requirements to Participate

- The cost of rehabilitation must meet the substantial rehabilitation test. This test is met by increasing the fair market value of the building by the following percentages. The county tax assessor is the official who makes this determination.
    - **Residential** (owner-occupied residential property): rehabilitation must increase the fair market value of the building by at least 50%
    - **Mixed-Use** (primarily owner-occupied residential and partially income-producing property): rehabilitation must increase the fair market value of the building by at least 75%
    - **Commercial and Professional Use (income-producing property**): rehabilitation must increase the fair market value of the building by at least 100%
- The property owner must obtain preliminary and final certification of the project from HPD.
- Rehabilitation must be in accordance with the Department of Community Affair's *Standards for Rehabilitation* and must be completed within two years.

Application Process

The Rehabilitated Historic Property Application is a two-part process: Part A and Part B, with supplemental information and amendments when necessary. The program is designed to review projects before work begins; therefore, the earlier application materials are submitted to HPD for review, the better.

Part A – Preliminary Certification

Part A is submitted to HPD to determine if the property is listed or eligible for listing in the Georgia Register of Historic Places, and to determine if the proposed work meets the *Standards for Rehabilitation*. Ideally this is submitted to HPD before rehabilitation begins. Once all application materials are submitted and the review fee is paid, HPD generally takes 30 days to review and comment on the rehabilitation project. After HPD completes its review, the signed Part A form is emailed to the applicant. The applicant is then responsible for filing the Part A certified form with the county tax assessor to initiate the assessment freeze period beginning the following tax year for two years.

Please be aware that any work done prior to HPD review is done at owner's own risk. The review may determine that any rehabilitation work undertaken prior to approval that does not meet the Standards either may need remediation or may make the project eligible for a denial.

Part B – Final Certification

Part B is submitted to HPD after the project is completed and must be certified by HPD and submitted to the tax assessor within two years of filing the Part A preliminary certification form. Once all application materials are submitted, HPD generally takes 30 days to review and certify the rehabilitation project. HPD is the final certification authority concerning all state rehabilitation applications. After HPD completes its review and approves the rehabilitation, the certified Part B form is emailed to the applicant. The applicant is then responsible for filing the Part B certified form with the county tax assessor in order to maintain the assessment freeze. In the ninth year, the assessment will increase 50% of the difference between the value of the property at the time the freeze was initiated and the current assessment value. In the 10th year, the property tax assessment will increase to the 100% current assessment value. Be advised that work that does not conform to the Standards may require remediation or may lead to denial of the application.

Amendments

Amendments are submitted to HPD when there is a change in the scope of work or contact information as submitted in the Part A application. This allows a certain amount of flexibility as the project continues to be developed. Upon request, HPD will offer technical assistance to rehabilitation tax projects by meeting with individuals at HPD's office or on-site of the project to discuss specific rehab issues. HPD encourages early communication with our office.

Fees

Upon receipt of your Part A PPTA (Preliminary Certification) application, we will send an invoice for our review fee of $50.00. A cashier's check, money order, or official bank check, made payable to the Georgia Department of Community Affairs, are the only acceptable forms of payment. Personal checks are not accepted. The fee is non-refundable.