

950 CMR: OFFICE OF THE SECRETARY OF THE COMMONWEALTH

950 CMR 72.00: SPECIAL PROPERTY TAX ASSESSMENT FOR SUBSTANTIAL REHABILITATION OF CERTAIN PROPERTIES INCLUDED IN THE STATE REGISTER OF HISTORIC PLACES

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72.01: Introduction

950 CMR 72.00 is issued pursuant to M.G.L. c. 59, as amended by St. 1996, c. 191.

72.02: Purpose

A city or town may, by adoption of an ordinance or bylaw, establish a special property tax assessment policy for the substantial rehabilitation of owner-occupied residential properties listed in the State Register. The Secretary, as chairman of the MHC, is authorized to promulgate regulations to implement this policy.

72.03: Scope

The special property tax assessment for substantial rehabilitation of owner-occupied residential properties listed in the State Register shall apply to the buildings or structures that are rehabilitated.

72.04: Definitions

Cost of Rehabilitation shall mean the actual cost of rehabilitation relating to one or more of the following:

- (a) improvements located on or within the historic building as designated;
- (b) improvements outside of but directly attached to the historic building which are necessary to make the building fully useable, but shall not include rentable/habitable floorspace attributable to new construction;
- (c) architectural and engineering services attributable to the design of the improvements; or
- (d) costs necessary to maintain the historic character or integrity of the building. The cost of rehabilitation shall not include costs attributable to landscaping. All expenditures contributing to the cost of rehabilitation shall be incurred within a three year period.

MHC shall mean the Massachusetts Historical Commission, a division within the Office of the Secretary of the Commonwealth, as established pursuant to M.G.L. c. 9, § 26, and its staff.

Owner shall mean one or more natural persons who own a majority interest in residential property.

Rehabilitation shall mean the process of returning a property to a state of utility, through preservation, restoration, repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property that are significant to its historic, architectural and cultural values.

Residential Property shall mean property that is occupied exclusively for residential purposes.

72.04: continued

Secretary shall mean the Secretary of the Commonwealth, who pursuant to M.G.L. c. 9, § 26 is the designated chairman of the MHC.

Secretary of the Interior's Standards shall mean the United States Secretary of the Interior's Standards for Rehabilitation, as set forth in 36 C.F.R. Part 68 (July 1, 1995). This reference is available for inspection and copying at the offices of the MHC.

State Register shall mean the State Register of Historic Places which is maintained by the MHC pursuant to M.G.L. c. 9, § 26C.

Substantial Rehabilitation shall include rehabilitation wherein the cost of rehabilitation is not less than 25% of the assessed value of the property prior to rehabilitation, and not less than 10% of the cost of rehabilitation shall be dedicated to rehabilitation of the exterior of the historic building.

72.05: Properties Eligible for Special Assessment

Residential, owner-occupied property which is listed in the State Register, either individually or as a contributing element within an historic district, is eligible for the special assessment.

72.06: Standards for Rehabilitation

The MHC shall apply the Secretary of the Interior's Standards in certifying that the proposed rehabilitation is eligible for the special assessment.

72.07: Method of Calculating Special Assessment

The increase in assessed value resulting from substantial rehabilitation of eligible properties shall be phased in one-fifth increments over a period of five years to the full assessed value of the property.

72.08: Application for Special Assessment

(1) In order for the MHC to certify that the proposed rehabilitation meets the Secretary of the Interior's Standards, the property owner shall submit the following information on a form provided by the MHC:

- (a) description of property, including its historic background and any features which lend historic, architectural or cultural significance to the property;
- (b) complete rehabilitation plan, including description of work and appropriate photographic documentation, estimated work schedule and completion date;
- (c) if the property is located in a local historic district created pursuant to M.G.L. c. 40C or by special act of the General Court, or is designated a landmark pursuant to a special act of the General Court, or is otherwise subject to a preservation ordinance or bylaw adopted pursuant to Mass. Const. Amend. Art. 89, § 6, or is subject to a preservation restriction placed in accordance with the provisions of M.G.L. c. 184, § 31, the owner must obtain a certificate of appropriateness or other applicable written approval for the proposed rehabilitation from the appropriate local preservation commission, and must submit a copy of that certificate or other approval to the MHC.

(2) Within 30 days of receipt of all necessary documentation, the MHC shall review the proposed rehabilitation and determine whether it meets the Secretary of the Interior's Standards. If the MHC determines that the proposed rehabilitation meets the Secretary of the Interior's Standards, it will provide the property owner with a certificate to that effect. If the MHC determines that the proposed rehabilitation does not meet the Secretary of the Interior's Standards, it will so inform the property owner in writing and will set forth the bases for its determination. The MHC will provide guidance to an applicant in revising the proposed rehabilitation plan to conform with the Secretary of the Interior's Standards.

72.08: continued

(3) The owner shall file an application with the municipal tax authority. The application shall be in a form determined by the municipality in its bylaw or ordinance, and shall include at a minimum the following information:

- (a) proof of ownership and occupancy;
- (b) certificate from the MHC that the rehabilitation as proposed meets the Secretary of the Interior's Standards;
- (c) assessed value of property prior to rehabilitation; and
- (d) total cost of rehabilitation.

(4) Within 60 days of receipt of all necessary documentation, the municipal taxing authority shall determine whether the proposed rehabilitation meets the criteria for the special assessment set forth in 950 CMR 72.00 and shall notify the owner of its decision in writing. A municipality shall by ordinance or bylaw establish time frames for the effective date of a special assessment.

(5) In order to be eligible for the special assessment, an owner must file the application required in 950 CMR 72.08(3) with the municipal taxing authority within two years of completion of work.

72.09: Miscellaneous

(1) A municipality may by ordinance or bylaw require that an owner receiving the special assessment agree to maintain the property which is the subject of the special assessment in accordance with Secretary of the Interior's Standards for a period of time not less than the duration of the special assessment. The municipality may further establish a procedure to revoke the special assessment for violation of that agreement.

(2) If by ordinance or bylaw a municipality requires certification that the completed rehabilitation meets the Secretary of the Interior's Standards, such certification shall be provided by the MHC or by the applicable local preservation commission, on a form provided by the MHC.

REGULATORY AUTHORITY

950 CMR 72.00: M.G.L. c. 59.