



We Are Columbia

## Bailey Bill Tax Abatement Program

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The City of Columbia adopted the Bailey Bill as an avenue to encourage sensitive rehabilitation of historic buildings. If you invest a minimum of 20% of your building's assessed value back into the building, and the work is *eligible and approved*, then the assessed value of your property is abated for the next 20 years (i.e., the value of your property may increase over time, but you will continue to be taxed at the pre-rehabilitation assessed valuation for 20 years). **The Bailey Bill may only be applied to qualifying historic structures, which means the property is: a) individually listed in the National Register of Historic Places; b) a contributing property in a National Register district; c) an individual City of Columbia historic landmark; or d) a contributing building in a local historic district.**

### PROCESS:

1. The owner fills out an application for the Bailey Bill, which is presented for review at the next regularly scheduled Design/Development Review Commission (D/DRC) meeting. There is an application fee of \$150 for single-family residences and duplexes, and \$300 for other structures. The owner is responsible for contacting the County and understanding the value of the property at the time it goes to the D/DRC. This is the value that will be abated.
2. If approved, the project can begin. The owner must sign a Memorandum of Understanding, which states that they understand that the work must comply with preservation standards and that Staff has a right to monitor the progress of the project on a regular basis. Staff notifies the County tax assessor that the property has qualified for the Bailey Bill and that the current tax value of the property should remain the same for 20 years.
3. When the project is completed, the owner files a final application with City Staff. Staff reviews the project and rehabilitation costs before signing off on the final project.
4. If the property is sold within the 20 year period, the balance of the property tax abatement period transfers to the new owner(s).

### RESPONSIBILITIES:

1. Owners are responsible for ascertaining the property's assessed value prior to application.
2. The owner will adhere to preservation standards for the rehabilitation and will retain as much original material as possible or replace with the same materials when necessary, per Staff or D/DRC approval.
3. Staff will offer guidance and expertise for the project and will assist the owner through the D/DRC review.
4. The owner must not make any changes to the exterior of the building for the next 20 years without prior approval from Staff or the D/DRC.

### EXAMPLE:

You have a home assessed at \$100,000. Your plans for home improvements include a new roof, repointing the brick, bringing the electrical and plumbing up to code, and rehabilitating the original windows. This will cost about \$25,000 total. You have met the threshold of 20% (in fact you are over) and the work planned is eligible. Although millage rates are subject to increase over time, the property's value will continue to be assessed at the pre-rehabilitation rate for the next 20 years.

*Contact the Planning Office at 803-545-3222 for more information.*