

**CITY OF DOVER ORDINANCE #2015-03**

**BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:**

That Chapter 102 - Taxation, Article III - Realty Transfer Tax, Section 102-71 - Definitions, (a)(3) - First-time homebuyer of the Dover Code be amended to read as follows:

**Sec. 102-71. - Definitions.**

(a) The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- (3) *First-time homebuyer* means a natural person who has at no time held an interest in residential real estate, wherever located, and which has been occupied as their principal residence, and who intends to occupy the property being conveyed as his principal residence, within 90 days following recordation of the deed. The first-time homebuyer must file an affidavit certifying to his qualifications before the exemption can be granted. In order to alleviate claims for rebate of the transfer tax paid, no rebate shall be made once the deed for the transaction has been recorded. First-time homebuyers submitting a false affidavit in any respect, which would entitle them to the exemption, shall be subject to payment of the unpaid transfer tax, plus interest at the rate of one and one-half percent per month and, upon direction by the council, referral to the attorney general of the state for criminal prosecution. This subsection shall apply to all real estate settlements held on or after January 2, 2000. First-time homebuyers are exempt from the transfer tax as provided herein. The first-time homebuyer exemption shall apply to the seller of property that qualifies for the first-time buyer exemption but only for property located within the downtown redevelopment high priority target area defined in Appendix C. Council shall have the right to deny this exemption to any property owner where the sale and purchase appears to be done fraudulently to take advantage of the realty transfer tax exemption ordinance.

**BE IT FURTHER ORDAINED:**

That Chapter 102 - Taxation, Article IV - Abatement of Real Estate Taxes, Section 102-113 - Qualifications (d) of the Dover Code be amended to read as follows:

**Sec. 102-113. - Qualifications.**

(d) Any persons purchasing residential real property in which they will reside within the downtown redevelopment high priority target area defined in Appendix C shall be given tax relief from the payment of real estate taxes in the following manner: first year of ownership, total tax abatement; second year of ownership, 75 percent tax abatement; third year of ownership, 50 percent tax abatement; fourth year of ownership, 25 percent tax abatement; fifth year of ownership, no tax abatement. Provided however that the homeowner is required to occupy the home as their principal place of residence during the entire time that the taxes are abated and if the property ceases to be their principal place of residence at any time during the four-year period of abatement, then they shall lose their right of abatement and shall be required to pay immediately all taxes abated up to the time that the home ceases to be their principal residence. In order to obtain the tax abatement, the homeowner must make application by affidavit submitted to the city clerk showing qualification for the abatement and each year thereafter,

submit a similar affidavit showing their continued right to the abatement. If qualification for the abatement ceases within the four-year period of abatement the homeowner is required to notify the city clerk of the lack of qualification for the abatement and within 90 days from the date the qualification ceases, pay all taxes abated in the past.

First year of owner occupancy .....	100 percent reduction of taxes
Second year of owner occupancy .....	75 percent reduction of taxes
Third year of owner occupancy .....	50 percent reduction of taxes
Fourth year of owner occupancy .....	25 percent reduction of taxes
Fifth year of owner occupancy .....	0 percent reduction of taxes

**BE IT FURTHER ORDAINED:**

That Chapter 102 - Taxation, Article V - Tax Credits for Historic Properties, Section 102-152 - Application Requirements and Section 102-153 - Application Review and Approval of the Dover Code be amended to read as follows:

**Sec. 102-152. - Application requirements.**

- (a) *Submissions to city planner.* Property owners shall submit a historic tax credit application, and, when applicable, a building permit application and/or application for architectural review certificate as required by Appendix B - Zoning, Article 10 - Planning Commission, Section 3 - Historic District Commission and Architectural Review.
- (b) *Plans.* A tax credit request submittal shall include the type and number of plans and specifications required for a building permit and, in addition, elevation plans and specifications, showing the impact of the proposed work on the exterior architectural facade of the building.
- (c) *Photographs.* A tax credit application submittal shall include current color photographs of the property, showing the present condition of the property, and accurately representing the existing materials and texture. All photographs shall be labeled indicating the direction of view.
- (d) *Other information.* Other information may be required by the city planner to facilitate review of such tax credit submittal.
- (e) *Cost estimate.* An itemized cost estimate shall be submitted, which shall be the basis for the tax credit.

**Sec. 102-153. - Application review and approval.**

- (a) *Factors considered.* The city planner shall first review the submitted applications, plans, photos, and related information to determine if the property is a qualifying historic property. In making this determination, the city planner shall consider the following:

- (1) The property's significant value as part of the historical, cultural, artistic, social, ethnic or other heritage of the nation, state or city;
  - (2) The property's association with an important person or event in national, state, or local history;
  - (3) Whether the property is representative of the distinguishing characteristics of an architectural type inherently valuable for the study of a period, style, craftsmanship, method of construction or use of an indigenous material;
  - (4) Whether the property is the notable work of a master builder, designer, architect, or artist whose individual genius has influenced an era.
- (b) *Review.* If the city planner determines that the property is a qualifying property, they shall review the submitted application plans, specifications, and related information for compliance with the following:
- (1) The proposed application constitutes an exterior preservation project seen readily from a street, sidewalk, or public way, where measures are applied to sustain the existing form, integrity, and material of the building or structure, including stabilization work, where necessary, as part of ordinary maintenance and repair;
  - (2) The proposed application constitutes an exterior rehabilitation project readily seen from a street, sidewalk or public way, which would return the property to a state of utility through repair or alteration which makes possible an efficient use of the building, while preserving those portions or features of the property which are central to its historic, architectural, and cultural significance;
  - (3) The proposed application constitutes an exterior restoration project readily seen from a street, sidewalk, or public way, which accurately recovers the form and detail of a property and its setting as it appeared at a particular period of time in the past by means of removal of later work or by the replacement of missing earlier work; or
  - (4) The proposed application conforms with the recommended practices and treatments of the design standards and guidelines for the city historic district. Practices and treatments designated as not recommended or inappropriate in the guidelines, or determined by the historic district commission to be inappropriate shall not qualify for this tax credit.
- (c) *Referral to historic district commission.* The city planner may refer any application for tax credits under this article to the historic district commission for consultation with the commission. The applicant shall have the right to appeal a tax credit disapproval to city council.
- (d) *Expense report.* Upon the completion of the qualified work for which a tax credit has been approved, the property owner or his contractor shall submit to the city planner a written expense report, which verifies the costs associated with the project and shall request an inspection of the completed work by the city planner.
- (e) *Tax credits.* The tax assessor shall apply approved tax credits during the fiscal year subsequent to the submittal to the city planner by the applicant of the contractor's final invoice to verify the cost of the repairs to the building and following certification from the city planner that the work has been completed in accordance with the approval of the tax credit application, building permit, and/or architectural review certificate.

**Secs. 102-154—102-180. - Reserved.**

**ADOPTED: FEBRUARY 23, 2015**

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### **SYNOPSIS**

The amendments change the homeownership tax incentives to align with the Downtown Development District boundary and change the City's Historic Property Tax Credit application to be administratively reviewed.

(SPONSORS: ANDERSON, BONAR, SLAVIN, AND TOWNSHEND)

### Actions History

- 02/23/2015 - Scheduled for Final Reading at City Council
- 02/09/2015 - Introduced at Legislative, Finance, and Administration Committee and First Reading at City Council
- 01/26/2015 - Scheduled for Introduction at Legislative, Finance, and Administration Committee - Meeting Cancelled Due to Inclement Weather