

CITY OF ROCKWALL

ORDINANCE NO. 03-28

AN ORDINANCE OF THE CITY OF ROCKWALL, TEXAS AMENDING THE ROCKWALL CODE OF ORDINANCES TO PROVIDE AN AD VALOREM TAX EXEMPTION FOR STRUCTURES IN NEED OF TAX RELIEF TO ENCOURAGE THEIR ENHANCEMENT AS HEREIN DEFINED; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; AND PROVIDING A PENALTY OF A FINE OF \$500.00 FOR EACH OFFENSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the 65th Legislature in June 1977 passed S.B. 595 amending Title 122, Revised Civil Statutes of Texas (1925), by adding Article 7150i authorizing the governing body of a political subdivision to exempt historic sites from certain property taxation; and

WHEREAS, Article 7150i was made effective upon adoption of Section 1-f to Article VIII of the Texas Constitution which authorized the State Legislature to allow political subdivisions to exempt historical sites from certain property taxation; and

WHEREAS, Texas voters on November 7, 1977, amended Article VIII of the Texas Constitution by adding Section 1-f; and

WHEREAS, effective January 1, 1980, the 66th Legislature codified Section 7150i as Section 11.24 of the Property Tax Code (1979); and

WHEREAS, there has been adopted in the City of Rockwall certain historic overlay districts which are in need of tax relief to encourage enhancement of structures as herein defined;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS:

Section 1. Chapter 25 of the Code of Ordinances is amended to add a new Article III to read as follows:

“ARTICLE III

EXEMPTION FOR HISTORICALLY SIGNIFICANT SITES

SECTION 25 - 38: DEFINITIONS

As used in this Article, the following terms shall have the meanings described herein:

- A. “Assessed Value Prior to Preservation” means the value assessed by the Rockwall County Appraisal District for the tax year of verification.
- B. “Certification” means the attestation by the Director of Community Development that the structure in question is a

structure located in the boundaries of the Old Town Rockwall Historic District or a Landmark Property as defined herein, in need of tax relief to encourage enhancement of structures and that the plans submitted will meet the definition of enhancement of a structure as defined herein.

- C. “Enhancement of a Structure” means the completion of a building project to improve a structure and the certifiable expenditure of at least \$5,000 for that project which has occurred after the adoption of this ordinance.
- D. “Historic District” includes the Old Town Rockwall Historic District, the Southside Overlay District, designated Landmark Properties, and such historic districts that may be adopted by the City in the future.
- E. “Increment Project” shall mean the monetary amount invested by the property owner in enhancing the subject structure (i.e. improvement) located within an official Historic Overlay District, which shall include the Old Town Rockwall Historic District, Southside Overlay District, designated Landmark Properties, and such historic districts that may be adopted by the City subsequent to the adoption of this ordinance.
- F. “The Improvement” shall mean the monetary value of the property minus the value of the land upon which property taxes are levied by the City.
- G. “Landmark Property” shall mean a property or structure(s), not contiguous to or part of an existing historic district, that is deemed worthy of preserving.
- H. “Property in need of tax relief to encourage enhancement of a structure” shall mean any structure located in the Old Town Rockwall Historic District, Southside Overlay District, designated Landmark Properties, and any such historic districts that may be adopted by the City subsequent to the adoption of this ordinance.
- I. “Property” shall mean the monetary value of the land plus the value of the improvement.
- J. “Structure” is defined herein as a building located in an official historic district, which shall include the Old Town Rockwall Historic District, Southside Overlay District, designated Landmark Properties, and such historic districts that may be adopted by the City subsequent to the adoption of this ordinance within the City of Rockwall.

SECTION 25 - 39: STRUCTURE PRESERVATION TAX EXEMPTION

A residential building or designated landmark property which meets the requirements of this ordinance shall be certified by the Director of Community Development to have the assessed value for ad valorem taxation "frozen" as described and listed below in order to qualify for ad valorem tax exemption. The assessed value shall be frozen at the value for the tax year in which the increment project was completed. The assessed value of the improvement shall be so "frozen" in accordance with the schedule below:

The period of the tax abatement shall be five (5) years if the amount of the increment project is \$5,000 or greater; or

The period of the tax abatement shall be seven (7) years if the amount of the increment project is equal to or exceeds 25% of the assessed value of the improvement on January 1st of the year the increment project was completed.

Furthermore, this exemption shall begin on the first day of the next tax year after verification of completion of the preservation required for certification; provided that: The building shall comply with the applicable zoning regulations for its use and location; and

SECTION 25 - 40: APPLICATION PROCESS

Applications for an ad valorem tax exemption pursuant to this ordinance are to be filed with the Community Development Department. Each application shall be signed and sworn to by the owner of the property and shall:

- A. State the legal description of the property proposed for certification;
- B. Provide proof of title in the applicant to the property proposed for certification;
- C. Include an affidavit by the owner describing the structure in need of tax relief and its compliance with the requirements of Section 25 - 39 herein;
- D. Provide proof that taxes or other assessments are not delinquent on the property;
- E. Include a final complete set of plans for the structure's enhancement as required to secure a building permit;
- F. Include a statement of costs for the restoration or rehabilitation work;
- G. Include a projection of the estimated construction time and predicted completion date of the restoration or rehabilitation;

- H. Authorize representatives of the City of Rockwall to visit and inspect the property and the records and books of the owner as necessary to certify that the property in question is in substantial need of restoration or rehabilitation;
- I. Include a detailed statement of the proposed use for the property; and
- J. Provide any additional information that the owner deems relevant.
- K. Provide such other information as may be required by the Director of Community Development to properly consider certification of the project.
- L. Provide a written acknowledgement by the property owner acknowledging the owners future obligation to notify the Director of Community Development upon completion of the increment project. This will begin the verification process noted in Section 25 - 42 below.

Each application shall contain documentation confirming or supporting the information submitted.

SECTION 25 - 41: CERTIFICATION PROCESS

Within 30 days after receipt of the properly completed application, the City shall make an investigation of the property and shall certify the facts to the Director of Community Development along with the documentation and recommendation for approval or disapproval.

Upon receipt of a recommendation, the Director of Community Development shall immediately forward the application to the Rockwall City Council and, within thirty (30) days, the Council shall consider approval or disapproval eligibility of the property for tax relief pursuant to this ordinance. In determining eligibility, the City Council shall first determine that all the requirements of this ordinance have been met and that only the structure is to be provided favorable tax relief as provided in Section II herein. **Written notice of the determination shall be sent to the applicant.**

SECTION 25 - 42: VERIFICATION PROCESS

Upon completion of the enhancement of a structure, the certified applicant shall submit a sworn statement of completion acknowledging that the property has been substantially rehabilitated or restored. Within (30) days after receipt of the sworn statement of completion, the Director of Community Development shall make an investigation of the property and shall determine if the enhancement has been completed as required for certification. If the enhancement is deemed incomplete, the applicant shall be required to complete the enhancement in order to secure the tax exemption. If the enhancement is determined to be complete, the Director of Community Development shall notify the Chief Appraiser of the

Rockwall County Central Appraisal District in writing that the applicable ad valorem tax exemption shall apply.

Thereafter, the Chief Appraiser of the Rockwall County Central Appraisal District shall provide the property with the tax exemption provided in Section 25 - 39 herein."


Section 2. That any person who violates any provision of this ordinance shall, upon conviction, be subject to a fine in accordance with the general provisions of the Code of Ordinances, and that each day in violation shall constitute a separate offence.

Section 3. The provisions of this ordinance are severable. If any provision of this ordinance or the application thereof to any person or circumstances shall be held to be invalid or unconstitutional, the remainder of this ordinance shall nevertheless be valid.

Section 4. That all ordinances or part of ordinances in conflict herewith are repealed to the extent of the conflict only.

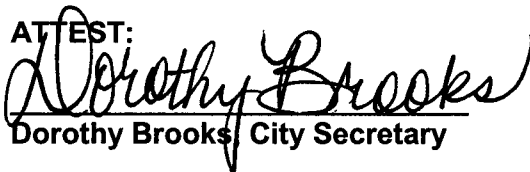
Section 5. This ordinance shall become effective from and after its adoption, and it is so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS, this 2nd day of September, 2003.



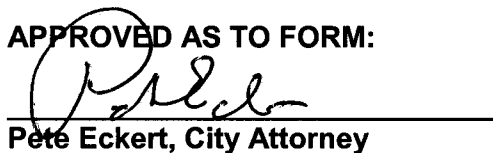
Ken Jones, Mayor

ATTEST:

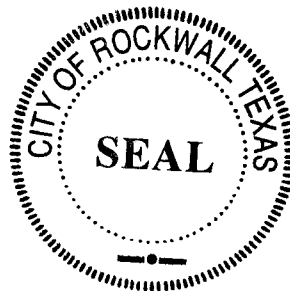


Dorothy Brooks, City Secretary

APPROVED AS TO FORM:



Pete Eckert, City Attorney



1st Reading: August 18, 2003

2nd Reading: September 2, 2003