

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

GOOD/HUTH
APRIL 7, 2014

CLERK OF THE HOUSE

REP. _____ PROPOSES THE FOLLOWING
AMENDMENT NO. TO S. 234
(COUNCIL\BH\234C003.BH.DG14):

REFERENCE IS TO PRINTER'S DATE 6/4/13--S.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING ALL AFTER THE ENACTING WORDS AND
INSERTING:**

**/ SECTION 1. SECTION 12-67-120 OF THE 1976
CODE, AS ADDED BY ACT 57 OF 2013, IS AMENDED
BY ADDING AN ITEM AT THE END TO READ:**

**“(8) ‘STATE-OWNED ABANDONED BUILDING’
MEANS AN ABANDONED BUILDING AND ITS
ANCILLARY SERVICE BUILDINGS, THE COMBINED**

SQUARE FOOTAGE OF WHICH IS GREATER THAN ONE HUNDRED FIFTY THOUSAND SQUARE FEET, THAT HAS BEEN ABANDONED FOR MORE THAN TEN YEARS, AND WAS MOST RECENTLY OWNED BY THE STATE, OR AN AGENCY, INSTRUMENTALITY, OR POLITICAL SUBDIVISION OF THE STATE.”

SECTION 2. SECTION 12-67-140(B)(3) OF 1976 CODE, AS ADDED BY ACT 57 OF 2013, IS AMENDED TO READ:

“(3)(A) THE EXCEPT FOR A CREDIT CLAIMED IN CONNECTION WITH THE REHABILITATION OF A STATE OWNED ABANDONED BUILDING, THE ENTIRE CREDIT IS EARNED IN THE TAXABLE YEAR IN WHICH THE APPLICABLE PHASE OR PORTION OF THE BUILDING SITE IS PLACED IN SERVICE BUT MUST BE TAKEN IN EQUAL INSTALLMENTS OVER A FIVE-YEAR PERIOD BEGINNING WITH THE TAX YEAR IN WHICH THE APPLICABLE PHASE OR PORTION OF THE BUILDING SITE IS PLACED IN

SERVICE. IF THE CREDIT IS EARNED IN CONNECTION WITH THE REHABILITATION OF A STATE OWNED ABANDONED BUILDING, THE ENTIRE CREDIT IS EARNED IN THE TAXABLE YEAR IN WHICH THE APPLICABLE PHASE OR PORTION OF THE BUILDING SITE IS PLACED IN SERVICE BUT MUST BE CLAIMED IN EQUAL INSTALLMENTS OVER A TWO-YEAR PERIOD BEGINNING WITH THE TAX YEAR IN WHICH THE APPLICABLE PHASE OR PORTION OF THE BUILDING SITE IS PLACED IN SERVICE. UNUSED CREDIT MAY BE CARRIED FORWARD FOR THE SUCCEEDING FIVE YEARS.

(B) THE ENTIRE CREDIT EARNED PURSUANT TO THIS SUBSECTION MAY NOT EXCEED FIVE HUNDRED THOUSAND DOLLARS FOR ANY TAXPAYER IN A TAX YEAR FOR EACH ABANDONED BUILDING SITE. THE LIMITATION PROVIDED IN THIS SUBITEM APPLIES TO EACH UNIT OR PARCEL DEEMED TO BE AN ABANDONED BUILDING SITE. THE LIMITATION PROVIDED FOR IN THIS SUBITEM DOES NOT APPLY TO ANY STATE OWNED ABANDONED BUILDING.”

SECTION 3. SECTION 12-6-3535(A) AND (C)(1) OF THE 1976 CODE IS AMENDED TO READ:

“SECTION 12-6-3535. (A) A TAXPAYER WHO IS ALLOWED A FEDERAL INCOME TAX CREDIT PURSUANT TO SECTION 47 OF THE INTERNAL REVENUE CODE FOR MAKING QUALIFIED REHABILITATION EXPENDITURES FOR A CERTIFIED HISTORIC STRUCTURE LOCATED IN THIS STATE IS ALLOWED TO CLAIM A CREDIT AGAINST INCOME TAXES AND LICENSE FEES IMPOSED BY THIS TITLE. FOR THE PURPOSES OF THIS SECTION, ‘QUALIFIED REHABILITATION EXPENDITURES’ AND ‘CERTIFIED HISTORIC STRUCTURE ARE DEFINED AS PROVIDED IN THE INTERNAL REVENUE CODE SECTION 47 AND THE APPLICABLE TREASURY REGULATIONS. EXCEPT AS PROVIDED IN SUBSECTION (A)(1), THE AMOUNT OF THE CREDIT IS TEN PERCENT OF THE EXPENDITURES THAT QUALIFY FOR THE FEDERAL CREDIT. TO CLAIM THE CREDIT ALLOWED BY THIS SUBSECTION, A TAXPAYER FILING A PAPER RETURN MUST ATTACH A COPY OF THE SECTION OF THE FEDERAL INCOME TAX RETURN SHOWING THE CREDIT CLAIMED, ALONG WITH OTHER INFORMATION THAT THE DEPARTMENT OF REVENUE DETERMINES IS NECESSARY FOR THE CALCULATION OF THE CREDIT PROVIDED BY THIS SUBSECTION.

(1) A TAXPAYER MAY ELECT A TWENTY-FIVE PERCENT TAX CREDIT IN LIEU OF THE TEN PERCENT TAX CREDIT.

(2) A TAXPAYER ELECTING A TWENTY-FIVE PERCENT TAX CREDIT MAY NOT CLAIM A CREDIT THAT EXCEEDS FIVE HUNDRED THOUSAND DOLLARS FOR EACH CERTIFIED HISTORIC STRUCTURE. THE LIMITATION PROVIDED FOR IN THIS ITEM SHALL NOT APPLY TO CREDITS CLAIMED FOR QUALIFIED REHABILITATION EXPENDITURES RELATED TO ANY STATE OWNED ABANDONED BUILDING.

(C)(1) EXCEPT FOR A CREDIT CLAIMED IN CONNECTION WITH THE REHABILITATION OF A STATE OWNED ABANDONED BUILDING, THE ENTIRE CREDIT MAY NOT BE TAKEN FOR THE TAXABLE YEAR IN WHICH THE PROPERTY IS PLACED IN SERVICE BUT MUST BE TAKEN IN EQUAL INSTALLMENTS OVER A FIVE-YEAR PERIOD BEGINNING WITH THE YEAR IN WHICH THE PROPERTY IS PLACED IN SERVICE. IF THE CREDIT IS CLAIMED IN CONNECTION WITH THE REHABILITATION OF A STATE OWNED ABANDONED BUILDING, THE ENTIRE CREDIT MAY NOT BE TAKEN FOR THE TAXABLE YEAR IN WHICH THE PROPERTY IS PLACED IN SERVICE, BUT, RATHER MUST BE TAKEN IN EQUAL INSTALLMENTS OVER A TWO-YEAR PERIOD BEGINNING WITH THE YEAR IN WHICH THE PROPERTY IS PLACED IN SERVICE. FOR PURPOSES OF THIS SECTION, 'STATE OWNED ABANDONED BUILDING' HAS THE SAME MEANING AS PROVIDED IN SECTION 12-67-120. 'PLACED IN SERVICE' MEANS THE REHABILITATION IS COMPLETED AND ALLOWS FOR THE INTENDED USE. ANY UNUSED PORTION OF ANY CREDIT INSTALLMENT MAY BE CARRIED FORWARD FOR THE SUCCEEDING FIVE YEARS."

SECTION 4. THIS ACT TAKES EFFECT UPON APPROVAL BY THE GOVERNOR AND APPLIES FOR TAX YEARS BEGINNING AFTER 2013. THE PROVISIONS OF SECTION 1B OF ACT 57 OF 2013 APPLY TO THE PROVISIONS OF SECTIONS 12-67-120 AND 12-67-140 OF THE 1976 CODE AS AMENDED BY THIS ACT. /

**RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.**

REPORT OF THE SALES AND INCOME TAX SUBCOMMITTEE

(Allison, Simrill, G.M. Smith, Hosey & G.R. Smith - Staff Contact: Katie Owen)

SENATE BILL 234

S. 234 -- Senators Coleman, Johnson and McElveen: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 67 TO TITLE 12 SO AS TO ENACT THE "SOUTH CAROLINA ABANDONED BUILDINGS REVITALIZATION ACT" WHICH PROVIDES THAT A TAXPAYER MAKING INVESTMENTS OF A CERTAIN SIZE IN REHABILITATING AN ABANDONED BUILDING MAY AT HIS OPTION RECEIVE SPECIFIED INCOME TAX CREDITS OR CREDITS AGAINST THE PROPERTY TAX LIABILITY.

Summary of Bill:

The bill as amended will enact changes to both the Abandoned Buildings Revitalization Act as well as the Historic Building Revitalization Act. The bill increases the Historic Tax Credit to 25% capped at \$500K OR 10% uncapped. It adds a definition for state owned abandoned building and removes caps for these building renovations for the Historic and Abandoned Building Revitalization tax credit. Allows credits for state owned abandoned buildings to be taken over two years.

Introduced: 01/10/2013

Received by Ways and Means: 06/05/2013

Estimated Fiscal Impact:

This bill, as amended, is expected to reduce General Fund individual income tax, corporate income tax, bank tax, savings and loan tax, or corporate license fee revenue by an estimated \$13.3M in FY 14-15 and by an estimated \$13.3M in FY 15-16.

Subcommittee Recommendation:

Passed favorable as amended

Full Committee Recommendation:

Pending

Other Notes/Comments:

[CLICK HERE to Edit Notes/Comments](#)

South Carolina General Assembly
120th Session, 2013-2014

S. 234

STATUS INFORMATION

General Bill

Sponsors: Senators Coleman, Johnson and McElveen

Document Path: l:\council\bills\nl\13011dg13.docx

Companion/Similar bill(s): 3093

Introduced in the Senate on January 15, 2013

Introduced in the House on June 5, 2013

Last Amended on June 4, 2013

Currently residing in the House Committee on **Ways and Means**

Summary: Abandoned Buildings Revitalization Act

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
1/15/2013	Senate	Introduced and read first time (Senate Journal-page 10)
1/15/2013	Senate	Referred to Committee on Finance (Senate Journal-page 10)
2/27/2013	Senate	Committee report: Favorable with amendment Finance (Senate Journal-page 24)
3/6/2013	Senate	Committee Amendment Amended and Adopted (Senate Journal-page 27)
5/30/2013	Senate	Amended (Senate Journal-page 18)
5/30/2013	Senate	Read second time (Senate Journal-page 18)
5/30/2013	Senate	Roll call Ayes-43 Nays-2 (Senate Journal-page 18)
6/4/2013	Senate	Amended (Senate Journal-page 42)
6/4/2013	Senate	Read third time and sent to House (Senate Journal-page 42)
6/4/2013	Senate	Roll call Ayes-42 Nays-0 (Senate Journal-page 42)
6/5/2013	House	Introduced and read first time (House Journal-page 6)
6/5/2013	House	Referred to Committee on Ways and Means (House Journal-page 6)

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VERSIONS OF THIS BILL

[1/15/2013](#)

[2/27/2013](#)

[3/6/2013](#)

[5/30/2013](#)

[6/4/2013](#)

1 AS PASSED BY THE SENATE

2 June 4, 2013

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4

S. 234

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6 Introduced by Senators Coleman, Johnson and McElveen

7

8 S. Printed 6/4/13--S.

9 Read the first time January 15, 2013.

10

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[234-1]

A BILL

11 TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA,
12 1976, BY ADDING CHAPTER 67 TO TITLE 12 SO AS TO
13 ENACT THE "SOUTH CAROLINA ABANDONED
14 BUILDINGS REVITALIZATION ACT" WHICH PROVIDES
15 THAT A TAXPAYER MAKING INVESTMENTS OF A
16 CERTAIN SIZE IN REHABILITATING AN ABANDONED
17 BUILDING MAY AT HIS OPTION RECEIVE SPECIFIED
18 INCOME TAX CREDITS OR CREDITS AGAINST THE
19 PROPERTY TAX LIABILITY.

20 Amend Title To Conform

21
22 Be it enacted by the General Assembly of the State of South
23 Carolina:

25 SECTION 1.A. Title 12 of the 1976 Code is amended by adding:

“CHAPTER 67

South Carolina Abandoned Buildings Revitalization Act

32 Section 12-67-100. This chapter may be cited as the 'South
33 Carolina Abandoned Buildings Revitalization Act'.

35 Section 12-67-110. (A) The purpose of this chapter is to
36 create an incentive for the rehabilitation, renovation, and
37 redevelopment of abandoned buildings located in South Carolina.

38 (B) The abandonment of buildings has resulted in the
39 disruption of communities and increased the cost to local
40 governments by requiring additional police and fire services due to
41 excessive vacancies. Many abandoned buildings pose safety
42 concerns. A public and corporate purpose is served by restoring

1 these buildings to productive assets for the communities in which
2 they are located and result in increased job opportunities.

3 (C) There exists in many communities of this State abandoned
4 buildings. The stable economic and physical development of these
5 communities is endangered by the presence of these abandoned
6 buildings as manifested by their progressive and advanced
7 deterioration. As a result of the existence of these abandoned
8 buildings, there is an excessive and disproportionate expenditure of
9 public funds, inadequate public and private investment,
10 unmarketability of property, growth in delinquencies and crime in
11 the areas, together with an abnormal exodus of families and
12 businesses, so that the decline of these areas impairs the value of
13 private investments, threatens the sound growth and the tax base of
14 taxing districts in these areas, and threatens the health, safety,
15 morals, and welfare of the public. To remove and alleviate these
16 adverse conditions, it is necessary to encourage private investment
17 and restore and enhance the tax base of the taxing districts in
18 which such buildings are located by the redevelopment of
19 abandoned buildings.

20
21 Section 12-67-120. For the purposes of this chapter, unless the
22 context requires otherwise:

23 (1) 'Abandoned building' means a building or structure, which
24 clearly may be delineated from other buildings or structures, at
25 least sixty-six percent of the space in which has been closed
26 continuously to business or otherwise nonoperational for income
27 producing purposes for a period of at least five years immediately
28 preceding the date on which the taxpayer files a 'Notice of Intent
29 to Rehabilitate'. For purposes of this item, a building or structure
30 that otherwise qualifies as an 'abandoned building' may be
31 subdivided into separate units or parcels, which units or parcels
32 may be owned by the same taxpayer or different taxpayers, and
33 each unit or parcel is deemed to be an abandoned building site for
34 purposes of determining whether each subdivided parcel is
35 considered to be abandoned. For purposes of this item, an
36 abandoned building is not a building or structure with an
37 immediate preceding use as a single-family residence. For
38 purposes of this item, use of any portion of a building or structure
39 listed on the National Register for Historic Places when used
40 solely for storage or warehouse purposes is considered
41 nonoperational for income producing purposes; provided,
42 however, that the credit provided under Section 12-67-140(B) is
43 further limited by disqualifying for credit purposes the portion of

1 the building or structure that was operational and used as a storage
2 or warehouse for income producing purposes. This limitation is
3 calculated based on the actual percentage of the space which has
4 been closed continuously to business or otherwise nonoperational
5 for income producing purposes for a period of at least five years
6 immediately preceding the date on which the taxpayer files a
7 'Notice of Intent to Rehabilitate' divided by one hundred percent.

8 (2) 'Building site' means the abandoned building together with
9 the parcel of land upon which it is located and other improvements
10 located on the parcel. However, the area of the building site is
11 limited to the land upon which the abandoned building is located
12 and the land immediately surrounding such building used for
13 parking and other similar purposes directly related to the building's
14 income producing use.

15 (3) 'Local taxing entities' means a county, municipality, school
16 district, special purpose district, and other entity or district with the
17 power to levy ad valorem property taxes against the building site.

18 (4) 'Local taxing entity ratio' means that percentage computed
19 by dividing the millage rate of each local taxing entity by the total
20 millage rate for the building site.

21 (5) 'Placed in service' means the date upon which the building
22 site is completed and ready for its intended use. If the building site
23 is completed and ready for use in phases or portions, each phase or
24 portion is considered to be placed in service when it is completed
25 and ready for its intended use.

26 (6) 'Rehabilitation expenses' means the expenses or capital
27 expenditures incurred in the rehabilitation, demolition, renovation,
28 or redevelopment of the building site, including without
29 limitations, the renovation or redevelopment of existing buildings,
30 environmental remediation, site improvements, and the
31 construction of new buildings and other improvements on the
32 building site, but excluding the cost of acquiring the building site
33 or the cost of personal property located at the building site. For
34 expenses associated with a building site to qualify for the tax
35 credit, the abandoned buildings on the building site must be either
36 renovated or redeveloped. Rehabilitation expenses associated with
37 a building site that increases the amount of square footage on the
38 building site in excess of two hundred percent of the amount of
39 square footage of the buildings that existed on the building site as
40 of the filing of the notice of intent to rehabilitate shall not be
41 considered a rehabilitation expense for purposes of calculating the
42 amount of the credit. Notwithstanding any other provision of this
43 section, demolition expenses shall not be considered a

1 rehabilitation expense for purposes of calculating the amount of
2 the credit if the building being demolished is on the National
3 Register for Historic Places.

4 (7) 'Notice of Intent to Rehabilitate' means a letter submitted
5 by the taxpayer to the department or the municipality or county as
6 specified in this chapter, indicating the taxpayer's intent to
7 rehabilitate the building site, the location of the building site, the
8 amount of acreage involved in the building site, the amount of
9 square footage of existing buildings involved in the building site,
10 and the estimated expenses to be incurred in connection with
11 rehabilitation of the building site. The notice also must set forth
12 information as to which buildings the taxpayer intends to renovate
13 and whether new construction is to be involved.

14

15 Section 12-67-130. (A) This chapter only applies to abandoned
16 building sites or phases or portions thereof put into operation in
17 which a taxpayer incurs the following rehabilitation expenses:

18 (1) more than two hundred fifty thousand dollars for
19 buildings located in the unincorporated areas of a county or in a
20 municipality in the county with a population based on the most
21 recent official United States census of more than twenty-five
22 thousand persons;

23 (2) more than one hundred fifty thousand dollars for
24 buildings located in the unincorporated areas of a county or in a
25 municipality in the county with a population of at least one
26 thousand persons, but not more than twenty-five thousand persons
27 based on the most recent official United States census; and

28 (3) more than seventy-five thousand dollars for buildings
29 located in a municipality with a population of less than one
30 thousand persons based on the most recent official United States
31 census.

32 (B) This chapter only applies to abandoned building sites or
33 phases or portions thereof put into operation for income producing
34 purposes and that meet the purpose of this chapter set forth in
35 Section 12-67-110. The construction or operation of a charter
36 school, private or parochial school, or other similar educational
37 institution does not meet the purpose of this chapter. The construction
38 of a single-family residence is not an income producing purpose
39 and does not meet the purpose of this chapter.

40

41 Section 12-67-140. (A) Subject to the terms and conditions of
42 this chapter, a taxpayer who rehabilitates an abandoned building is
43 eligible for either:

1 (1) a credit against income taxes imposed pursuant to
2 Chapter 6 and Chapter 11 of this title, corporate license fees
3 pursuant to Chapter 20 of this title, or taxes on associations
4 pursuant to Chapter 13 of this title, or a combination thereof; or
5 (2) a credit against real property taxes levied by local taxing
6 entities.

7 (B) If the taxpayer elects to receive the credit pursuant to
8 subsection (A)(1), the following provisions apply:

9 (1) The taxpayer shall file with the department a Notice of
10 Intent to Rehabilitate before incurring its first rehabilitation
11 expenses at the building site. Failure to provide the Notice of
12 Intent to Rehabilitate results in qualification of only those
13 rehabilitation expenses incurred after the notice is provided.

14 (2) The amount of the credit is equal to twenty-five percent
15 of the actual rehabilitation expenses incurred at the building site if
16 the actual rehabilitation expenses incurred in rehabilitating the
17 building site are between eighty percent and one hundred
18 twenty-five percent of the estimated rehabilitation expenses set
19 forth in the Notice of Intent to Rehabilitate. If the actual
20 rehabilitation expenses exceed one hundred twenty-five percent of
21 the estimated expenses set forth in the Notice of Intent to
22 Rehabilitate, the taxpayer qualifies for the credit based on one
23 hundred twenty-five percent of the estimated expenses as opposed
24 to the actual expenses it incurred in rehabilitating the building site.
25 If the actual rehabilitation expenses are below eighty percent of the
26 estimated rehabilitation expenses, the credit is not allowed.

27 (3)(a) The entire credit is earned in the taxable year in which
28 the applicable phase or portion of the building site is placed in
29 service but must be taken in equal installments over a five-year
30 period beginning with the tax year in which the applicable phase or
31 portion of the building site is placed in service. Unused credit may
32 be carried forward for the succeeding five years.

33 (b) The entire credit earned pursuant to this item may not
34 exceed five hundred thousand dollars for any taxpayer in a tax year
35 for each abandoned building site. The limitation provided in this
36 subitem applies to each unit or parcel deemed to be an abandoned
37 building site.

38 (4) If the taxpayer qualifies for both the credit allowed by
39 this section and the credit allowed pursuant to the Textiles
40 Communities Revitalization Act or the Retail Facilities
41 Revitalization Act, the taxpayer only may claim one of the three
42 credits. However, the taxpayer is not disqualified from claiming

1 any other tax credit in conjunction with the credit allowed by this
2 section.

3 (5) The credit allowed by this subsection is limited in use to
4 fifty percent of either:

5 (a) the taxpayer's income tax liability for the taxable year
6 if taxpayer claims the credit allowed by this section as a credit
7 against income tax imposed pursuant to Chapter 6 or Chapter 11 of
8 this title, or taxes on associations pursuant to Chapter 13 of this
9 title, or both; or

10 (b) the taxpayer's corporate license fees for the taxable
11 year if the taxpayer claims the credit allowed by this section as a
12 credit against license fees imposed pursuant to Chapter 20.

13 (6)(a) If the taxpayer leases the building site, or part of the
14 building site, the taxpayer may transfer any applicable remaining
15 credit associated with the rehabilitation expenses incurred with
16 respect to that part of the site to the lessee of the site. If a taxpayer
17 sells the building site, or any phase or portion of the building site,
18 the taxpayer may transfer all or part of the remaining credit,
19 associated with the rehabilitation expenses incurred with respect to
20 that phase or portion of the site, to the purchaser of the applicable
21 portion of the building site.

22 (b) To the extent that the taxpayer transfers the credit, the
23 taxpayer shall notify the department of the transfer in the manner
24 the department prescribes.

25 (7) To the extent that the taxpayer is a partnership or a
26 limited liability company taxed as a partnership, the credit may be
27 passed through to the partners or members and may be allocated
28 among any of its partners or members including, without
29 limitation, an allocation of the entire credit to one partner or
30 member, without regard to any provision of the Internal Revenue
31 Code or regulations promulgated pursuant thereto, that may be
32 interpreted as contrary to the allocation, including, without
33 limitation, the treatment of the allocation as a disguised sale.

34 (C) If the taxpayer elects to receive the credit pursuant to
35 subsection (A)(2), the following provisions apply:

36 (1) The taxpayer shall file a Notice of Intent to Rehabilitate
37 with the municipality, or the county if the building site is located in
38 an unincorporated area, in which the building site is located before
39 incurring its first rehabilitation expenses at the building site.
40 Failure to provide the Notice of Intent to Rehabilitate results in
41 qualification of only those rehabilitation expenses incurred after
42 notice is provided.

1 (2) Once the Notice of Intent to Rehabilitate has been
2 provided to the county or municipality, the municipality or the
3 county first shall determine, by resolution, the eligibility of the
4 building site and the proposed rehabilitation expenses for the
5 credit. A proposed rehabilitation of a building site must be
6 approved by a positive majority vote of the local governing body.
7 For purposes of this subsection, ‘positive majority vote’ is as
8 defined in Section 6-1-300(5). If the county or municipality
9 determines that the building site and the proposed rehabilitation
10 expenses are eligible for the credit, there must be a public hearing
11 and the municipality or county shall approve the building site for
12 the credit by ordinance. Before approving a building site for the
13 credit, the municipality or county shall make a finding that the
14 credit does not violate a covenant, representation, or warranty in
15 any of its tax increment financing transactions or an outstanding
16 general obligation bond issued by the county or municipality.

17 (3)(a) The amount of the credit is equal to twenty-five
18 percent of the actual rehabilitation expenses incurred at the
19 building site times the local taxing entity ratio of each local taxing
20 entity that has consented to the credit pursuant to item (4), if the
21 actual rehabilitation expenses incurred in rehabilitating the
22 building site are between eighty percent and one hundred
23 twenty-five percent of the estimated rehabilitation expenses set
24 forth in the Notice of Intent to Rehabilitate. If the actual
25 rehabilitation expenses exceed one hundred twenty-five percent of
26 the estimated expenses set forth in the Notice of Intent to
27 Rehabilitate, the taxpayer qualifies for the credit based on one
28 hundred twenty-five percent of the estimated expenses as opposed
29 to the actual expenses it incurred in rehabilitating the building site.
30 If the actual rehabilitation expenses are below eighty percent of the
31 estimated rehabilitation expenses, the credit is not allowed. The
32 ordinance must provide for the credit to be taken as a credit against
33 up to seventy-five percent of the real property taxes due on the
34 building site each year for up to eight years.

35 (b) The local taxing entity ratio is set as of the time the
36 Notice of Intent to Rehabilitate is filed and remains set for the
37 entire period that the credit may be claimed by the taxpayer.

38 (4) Not fewer than forty-five days before holding the public
39 hearing required by subsection (C)(2), the governing body of the
40 municipality or county shall give notice to all affected local taxing
41 entities in which the building site is located of its intention to grant
42 a credit against real property taxes for the building site and the
43 amount of estimated credit proposed to be granted based on the

1 estimated rehabilitation expenses. If a local taxing entity does not
2 file an objection to the tax credit with the municipality or county
3 on or before the date of the public hearing, the local taxing entity is
4 considered to have consented to the tax credit.

5 (5) The credit against real property taxes for each applicable
6 phase or portion of the building site may be claimed beginning for
7 the property tax year in which the applicable phase or portion of
8 the building site is first placed in service.

9 (D) A taxpayer is not eligible for the credit if the taxpayer
10 owned the otherwise eligible building site when the site was
11 operational and immediately prior to its abandonment.

12

13 Section 12-67-150. The provisions of Chapter 31, Title 6 also
14 apply to this chapter, except that the requirements of Section
15 6-31-40 do not apply."

16

17 B. The provisions of Chapter 67, Title 12 contained in this act
18 are repealed on December 31, 2019. Any carry forward credits
19 shall continue to be allowed until the five year time period in
20 Section 12-67-140 is completed.

21

22 SECTION 2. This act takes effect upon approval by the Governor,
23 and applies to the rehabilitation, renovation, and redevelopment of
24 abandoned buildings begun after the effective date of this chapter
25 which are undertaken in conformity with the provisions of this act.

26 ----XX----

27