



## CITY OF LANGLEY HISTORIC PRESERVATION COMMISSION

### Special Tax Valuation for Historic Register Properties

Properties listed on the **Langley Register of Historic Places** are eligible for a special valuation that subtracts approved rehabilitation costs from the assessed value of the property over a ten year period.

The Washington State Legislature established the Special Tax Valuation program in 1985. It is implemented by local governments through their ordinances. In Langley, the Langley Historic Preservation Commission determines which properties are eligible by listing them on the Register of Historic Places.

Those building owners who invest a minimum of 25% of their structure's value on upgrades that enhance or preserve its historic elements can apply for the tax credit. If approved, the costs would be deducted from property taxes over the next decade.

Let's see how this might work. In 2010 a bungalow home was assessed at \$400,000. Of that amount, \$200,000 was for the building – the remainder being for the land. If it were listed on the Langley Register, and if the owner spent at least \$50,000 rehabilitating it, he could apply for those costs to be deducted from his property taxes over the next decade.

The illustration below shows how this might work:



**Building Value** **\$200,000**

Minimum of 25% of building's value spent for approved historic renovations will be deducted from owner's property tax over a 10 year period.

**25% of \$200,000 equals** **\$50,000**

The owner would have to invest at least \$50,000 to qualify for the Special Tax Valuation. Imagine, however, that he actually spent \$100,000 on approved historic renovations, and that the following year his assessed value is \$280,000. Subtracting the renovation cost of \$100,000 means the property would be taxed on \$180,000.



## Building Permit & Special Tax Credit Application Process

Submit building permit plans to Langley City Planner for review



If your property is listed on the Langley Historic Register, City Planner refers plans to Langley Historic Preservation Commission (LHPC) for simultaneous review



Langley Historic Preservation Commission approves plan and issues Certificate of Appropriateness or disapproves plan and refers it back to the property owner.



City Planner receives Certificate of Appropriateness and completes review of building plans. If plans approved, work begins.

Work continues with periodic inspections by City Planner and LHPC



Work completed. City Planner and LHPC make final inspection. When inspections approved, property owner submits application for Special Tax Credit to County Assessor.



County Assessor approves documentation and deducts costs of approved historic rehabilitation from property assessment over the next decade

**For additional information, please contact Susan Moore at the Island County Assessor's office, 360.678.7868, [susanm@co.island.wa.us](mailto:susanm@co.island.wa.us) or Allyson Brooks, State Historic Preservation Officer, at the Department of Archeology and Historic Preservation, 360.586.3066, [allyson.brooks@dahp.wa.gov](mailto:allyson.brooks@dahp.wa.gov).**