

Ad Valorem Tax Exemption for Historic Resources

Frequently Asked Questions



What is considered real property?

Real property is referred to as land, buildings, and all other permanent improvements on the land. Real property is broadly classified, based on land use, as: single family and multi-family residential, condominium, cooperatives, townhouses, time-share developments, and mobile homes; vacant or improved; and agricultural.

What is an ad valorem tax?

“Ad valorem” means “according to value.” An ad valorem tax is a tax based on the assessed value of property. This tax is levied on a property owner by a municipality and usually calculated on a yearly basis.

What is the ad valorem tax exemption for historic resources?

This ordinance gives the City of Miami the authority to exempt up to 100% of the City's ad valorem portion of a property tax bill, *strictly for the value of the improvements applied for*, to eligible historic properties.

Does this also apply to ad valorem taxes levied by Miami-Dade County as well?

Yes. However, in order to obtain a tax exemption for ad valorem taxes for Miami-Dade, a separate application must be completed and filed with the Miami-Dade Office of Historic Preservation.

Which properties are eligible?

This tax exemption is for both residential and commercial historic properties.

A historic property is:

- Individually listed in the National Register of Historic Places, pursuant to the National Historic Preservation Act (1966).
- Identified as a “Contributing Resource” within a Historic District listed in the National Register of Historic Places.
- Individually listed in the Miami Register of Historic Places.
- Identified as a “Contributing Resource” within a Historic District listed in the Miami Register of Historic Places.

My property is historic, but it is not designated nor is it in a historic district. Do I qualify?

No. Please contact our division about applying for designation and the many benefits gained by doing so.

My property is located in a historic district, but listed as a “non-contributing.” Do I qualify?

The ad valorem tax exemption is strictly for historic resources (those properties that contribute to creating the historic character of the district). The Historic and Environmental Preservation Board (HEP Board) may consider applications for noncontributing properties if the proposed work would restore the building to its original appearance, thus making it an eligible property.

What is considered an improvement?

An improvement is any change in the condition of any eligible real property brought about by the expenditure of money or labor or materials for the restoration, renovation, or rehabilitation of such property. Additions are also considered improvements. Additions can be an increase in square footage or separate, permanent structures on the land.

Restoration. The process of accurately recovering the form and details of a property and its setting—as they appeared at a particular period of time—either by removing later work or by replacing missing original details.

Renovation / Rehabilitation. For historic properties or portions thereof that are of historical or architectural significance, “renovation” or “rehabilitation” means the act or process of returning a property to a state of utility through repair or alteration that makes possible an efficient contemporary use, while preserving those portions or features of the property that are significant to its historical, architectural, cultural and archaeological values. For historic properties, or portions thereof, that are severely deteriorated, “renovation” or “rehabilitation” means the act or process of applying measures designed to sustain and protect the existing form and integrity of a property, or reestablish the stability of an unsafe or deteriorated property while maintaining the essential form of the property as it presently exists.

Which improvements qualify for the ad valorem tax exemption?

Expenditures for interior or exterior work, including construction of additions or permanent accessory structures, shall be included in the meaning of improvements (i.e., garage, cabana, guest cottage, storage/utility structure) so long as the new construction is compatible with the historic character of the building and site in terms of size, scale, mass, design and materials, and preserves the historic relationship between a building or buildings, landscape features and open space.

What is the difference between an improvement and regular maintenance of a historic property?

An improvement is a physical change made to the property (addition, restoration / renovation / rehabilitation) which increases the assessed value of that property. Maintenance expenses are required expenses that prevent the property from deterioration. For example, fixing a tile roof that has suffered damage is considered maintenance, while upgrading to a tile roof on a building—making it more compatible with the overall historic character and style of that building—would be considered an improvement.

Do I have to present my proposed improvements before the HEP Board for approval?

Applications for the historic ad valorem tax exemption may be reviewed concurrently with an application for a Special Certificate of Appropriateness (COA).

Are interiors considered in the HEP Board's review as to the appropriateness of the rehabilitation?

Yes. For the historic ad valorem tax exemption, the interior treatments are reviewed to insure that any details with superior craftsmanship that contribute to the historic character of the home or contribute to the spatial volumes, are retained. Examples include mechanical and electrical upgrades.

What if I have to make a change to approved plans for improvements?

If changes to a project are planned at any time after submission of the preconstruction application, an amendment sheet must be submitted for review. This amendment sheet will allow an applicant to indicate planned changes in project improvements, giving the originally proposed treatment and the amended work item description. If the change(s) are deemed substantial, the application will be referred to the HEP Board for review.

How is the tax exemption calculated?

The historic ad valorem tax exemption is calculated by the Miami-Dade Office of Property Appraisal. For more information, please refer to <http://www.miamidade.gov/pa/home.asp>

How long is the historic ad valorem tax exemption valid for?

Any exemption granted shall remain in effect for up to ten (10) years with the effective date being October 1 of the year that the applicant and the city have entered into the exemption covenant, and following the Miami-Dade County Property Appraiser's formal evaluation of the completed improvements, and their subsequent valuation.

What happens if I decide to sell my property after I am granted an ad valorem tax exemption?

The exemption shall continue in force if ownership of the property changes. In order to retain an exemption the historic character of the property, and improvements that qualify the property for an exemption, must be maintained in the historic state over the period for which the exemption was granted.



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