

ORDINANCE NO. 5, 2016 SERIES

AN ORDINANCE AMENDING ORDINANCE 19, 1993, BY THE CITY OF FRANKFORT  
ESTABLISHING PROPERTY ASSESSMENT AND REASSESSMENT  
MORATORIUM, LIMITING SAME TO FIVE YEAR INCREMENTS AND  
NAMING ADMINISTERING AGENCIES

WHEREAS, KRS Chapter 99 and KRS Chapter 132 permit local governments to establish a property assessment and reassessment moratorium for existing structures that are 25 years or older in age;

And

WHEREAS, the City of Frankfort wishes to take advantage of the provisions of KRS Chapter 99 and KRS Chapter 132 to encourage the repair, rehabilitation, restoration, or stabilization of existing real property in Frankfort.

WHEREAS, the City of Frankfort has utilized this ordinance for over 20 years and now desires to allow residential structures of 25 years or older to qualify for the property assessment and reassessment moratorium.

NOW THEREFORE BE IT ORDAINED BY THE CITY OF FRANKFORT, KENTUCKY AS FOLLOWS:

**SECTION 1.** There is hereby established a process for granting property assessment or reassessment moratorium for qualifying units of real property located in the CITY OF FRANKFORT.

**SECTION 2.** The following definitions apply to this ordinance:

- 1) "Administering agency" means the agency delegated responsibility by the legislative body to implement the provisions of this Act.
- 2) "Combined commercial/residential building" means any structure which has been in existence for at least Twenty-five (25) years (per KRS Chapter 99.595) and whose combined purpose is the operation of a commercial business enterprise and providing living facilities for (1) or more persons.
- 3) "Commercial facility" means any existing structure, the primary purpose and use of which is the operation of commercial business enterprise and which is twenty-five (25) years old or older.
- 4) "Existing residential building" means an existing building which is to provide independent living facilities for one (1) or more persons. Such buildings, for the purpose of qualifying for the property tax moratorium, shall be at least twenty-five (25) years old or older or located in any area designated as an Urban Development Area under KRS Chapter 99.
- 5) "Legislative Body" means the city board of commissioners.
- 6) "Rehabilitation" means the process of returning an existing structure to a state of utility through repair or alteration which makes possible an efficient contemporary use.
- 7) "Repair" means the reconstruction or renewal of any part of an existing structure for the purpose of maintenance.
- 8) "Restoration" means the process of accurately recovering the form and details of an existing structure and its setting as it appeared at a particular period of time by removal of later work or by the replacement of missing earlier work.
- 9) "Stabilization" means the process of applying measures designed to re-established a weather resistant enclosure and the structural stability of an unsafe or deteriorated property while maintaining the essential form as it exists.
- 10) "Assessment or reassessment moratorium" means the act of deferring the value of the improvements from the taxable assessment of qualifying units of real property for a period of five (5) years.

**SECTION 3.** The administering agencies for this moratorium program shall be the City of Frankfort Finance Department and the City Planning Department in conjunction with the PVA office.

**SECTION 4.** Moratorium shall be for a period of five (5) years, and become effective on the assessment date next following the issuance of the moratorium certificate. Any property granted as assessment or reassessment moratorium may be eligible for a subsequent moratorium certification for additional work performed in accordance with this ordinance, provided that reapplication be made no sooner than three (3) years following the expiration of the original moratorium, or any other moratorium, and provided that such property otherwise meets the requirements for the assessment or reassessment moratorium.

**SECTION 5.** Any owner or lessee of an existing residential building, and any owner or lessee of a commercial facility, or any owner or lessee of a combined commercial/ residential building, who plans to restore, repair, rehabilitate, or stabilize their property with a minimum expenditure equal to twenty-five percent (25%) of the assessed value of said property, may make an application to the City Planning Department for a property assessment or reassessment moratorium certificate. Application so made to the administering agency for a property assessment or reassessment moratorium certificate shall be made as follows:

- 1) The application shall be on a form prescribed by the City Planning Department and State Revenue Cabinet, and shall be filed in the manner prescribed by the Finance Department.

- 2) The application shall contain the following:
- a. A general description of the property including proof of age;
  - b. A general description of its proposed use;
  - c. A description of the nature and extent of restoration, repair, rehabilitation, or stabilization to be undertaken, to include detailed drawings showing the planned work to be done and an estimate of the total project expenditure. Documentation of all expenses incurred must be provided to the administering agency upon project completion.
  - d. A time schedule for undertaking and completing the project.
  - e. If the property is a commercial facility, the application shall also contain a descriptive list of the fixed building equipment which will be a part of the facility and a statement of the economic advantages expected from the moratorium, including expected construction employment.
  - f. In order to qualify for the property assessment or reassessment moratorium, any rehabilitation, repair, restoration, or stabilization work performed on any structure within a local historic zone district (Central Business, Special Capitol, or Special Historic) shall be subject to design review by the City Planning Staff or by the Frankfort Architectural Review Board in accordance with the City of Frankfort's Zoning Ordinance. All such work must be inspected upon completion to certify that it has met all applicable design requirements, ensuring the integrity of the historic character of the area is maintained, before the moratorium certificate is issued.
  - g. Other information as determined necessary by the administering agencies.

**SECTION 6.** The property valuation administrator and Finance Department shall maintain a record of all applications for a property assessment or reassessment moratorium. The PVA shall assess or reassess the property within thirty (30) days of receipt of the application. This assessment shall be the value for which taxes are not to be raised for five (5) years.

**SECTION 7.** The applicant shall have two (2) years in which to complete the improvements, unless granted an extension by the Planning Department. Extensions will be reviewed and granted on a case by case basis, but in no instance shall the application be extended beyond two (2) additional years. This provision shall not preclude normal reassessment years. Any project not completed within one year as required by the Building - code and by the active period of a city building permit shall be required to renew all necessary permits to allow work to continue.

**SECTION 8.** Any application not acted upon by the applicant shall become void two (2) years from the date of application, and shall be purged from the files of the property valuation administrator and the administering agency.

**SECTION 9.** On the assessment date next following the expiration, cancellation, or revocation of an assessment or reassessment moratorium, property shall be assessed on the basis of its full fair cash value.

**SECTION 10.** The applicant shall notify the administering agency when the project is complete, and the administering agency shall then conduct an on-site inspection of the property for purposes of verifying improvement and shall review documentation of expenditures to verify that the applicant has invested the minimum qualifying amount. Only after the project is complete and the improvements verified shall the moratorium certificate be issued by the administering agency. However, no moratorium certificate shall be issued on property in which there are delinquent city tax bills.

**SECTION 11.** An assessment or reassessment moratorium certificate may be transferred or assigned by the holder of the certificate to a new owner or lessee of the property.

**SECTION 12.** Any property granted an assessment or reassessment moratorium may be eligible for a subsequent moratorium certificate provided that reapplication be made no sooner than three (3) years following the expiration of original moratorium, and that it be for additional work over that conducted under previous certificates.

**SECTION 13.** In no case shall the moratorium described herein apply retroactively to projects undertaken or started prior to the adoption of this ordinance.

First reading on the 25 day of April, 2016.

Second reading on the 23 day of May, 2016.

S/William I. May, Jr  
T/Mayor

ATTEST:

S/Chermie Maxwell  
T/City Clerk

SUMMARY: This ordinance amendment permits the establishment of a five year property tax assessment or reassessment moratorium for certain qualifying commercial or residential structures that are at least 25 yrs old, rather than the previous 50 years old requirement, whose owners expend a minimum of 25% of its assessed value on repairs to the qualifying structure and outlines the administrative process necessary to obtain a moratorium certificate.

S/Robert C. Moore  
T/City Solicitor

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