

## Examples of Expenditures Which Qualify for Special Valuation

### Exterior:

- Windows
- Doors
- Painting
- Roofing

### Interior:

- Plumbing
- Electrical
- Lighting
- Wiring (i. e., phone system)
- Flooring
- Doors
- Windows
- Heating/ Air conditioning
- Finish work

### Other:

- Architectural/ consultant fees
- Taxes, insurance, and utilities during construction
- Construction administration expense
- Construction phase interest expense

### Non- Qualifying Expenditures:

- Homeowner labor
- Acquisition costs
- Enlargement of the building
- Costs for permanent financing
- Overhead costs
- Fixtures which are not attached

## Steps in a Typical Application:

- 1) Nominate your property to the Pomeroy Register of Historic Places. See the brochure entitled “The Pomeroy Register of Historic Places: A Guide for Property Owners.”
- 2) Once your property is accepted (or ‘listed’), apply for Design Review of your proposed rehabilitation plan to ensure that work is done in accordance with federal rehab standards.
- 3) Save **all** receipts for supplies and labor.
- 4) Property owner files for Special Valuation at Garfield County Assessor’s Office. Within 10 days of receipt of the completed application, the Assessor submits the application to the Pomeroy Historic Preservation Commission.
- 5) The Pomeroy Historic Preservation Commission notifies applicant of receipt of application and requirements for documentation, and schedules a public hearing to consider the request.
- 6) The Commission hears the facts and forwards a recommendation to the City Council, who will vote on whether to grant Special Valuation status to the property.
- 7) If the City Council grants Special Valuation status, the property owner enters into an agreement with the City of Pomeroy to maintain historic integrity of the property, and to make the historic aspects of the property accessible to public view one day per year, IF the property is not visible from the public right-of-way.

The Pomeroy Historic  
Preservation Commission  
presents

## Special Valuation Tax Incentive for Historic Buildings



824 Arlington Street  
Built in 1901 by F. J. Elsensohn  
Currently owned by Mike & Janie Field

## What is the Special Valuation Tax Incentive?

In 1985, the Washington State Legislature passed a 'Special Valuation Law' which makes it possible for owners of certain types of historic properties to realize substantial savings on property taxes.

If a property qualifies for Special Valuation Tax Incentive, for a 10- year period, the owner may deduct the rehabilitation costs from the new assessed valuation after rehabilitation.

During this time, property taxes are based on that 'special valuation' instead of the full assessed value. (RCW 84. 26 and WAC 254- 20)

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## How can my building qualify for Special Valuation?

- Your property must be listed on the Pomeroy Register of Historic Places or the National Register of Historic Places to qualify for Special Valuation.
- Rehabilitation expenditures must equal at least 25% of the assessed value of the building (not including the value of the land). All work must comply with federal rehabilitation standards.

(Technical assistance may be obtained through the Pomeroy Historic Preservation Commission.)

- Application for Special Valuation must be made no later than 24 months after the commencement of the rehabilitation.
- Application for Special Valuation status is filed with the County Assessor, and the application is forwarded to the Pomeroy Historic Preservation Commission for review. Special Valuation is a public program. Members of the Commission will tour your property and will review your application at a public meeting.

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## What if I sell my property?

- The tax reduction runs with the land and will be transferred to the new owner if the property is sold.
- If you fail to comply with the terms of the agreement – for instance, if you make modifications that would result in revocation of your Local Register designation – the law allows the Assessor to require you to pay back the exemption amount plus penalties for noncompliance.

## How much will I save?

The assessment on your building is reduced by the total amount you spend on rehabilitation, thereby reducing the amount of property tax you pay. (Be sure to save **every** receipt!)

This same amount is taken off your property's assessed value every year for the next 10 years. For example, if your house is valued at \$100, 000 and you spend \$30, 000 on qualifying rehabilitation work, you would pay taxes on the "special valuation" amount of \$70,000 for the next 10 years!

You can calculate your annual savings by multiplying the amount you spend on rehabilitation by the tax rate per thousand. This will determine the actual amount of your annual tax savings. (For example, in 2002, the City of Pomeroy's regular rate was \$9.11462 per thousand.)

\$30,000	X	\$ .00911462	=	\$273.44
Total \$ spent on rehab work		Tax Rate		Annual savings

NOTE: Special Valuation status has no effect on special assessments such as an EMS, hospital district, school, or other special levy amounts.

**For more information, contact:**

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e- mail the Historic Commission at:  
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