



A COMPARISON OF THE NATIONAL REGISTER OF HISTORIC PLACES WITH LOCAL HISTORIC LANDMARK AND DISTRICT DESIGNATIONS

The National Register of Historic Places and *local* historic landmark and historic district designations are two very different programs that recognize and protect historic properties. Some historic properties and districts may receive both types of designation in communities where local historic preservation commissions have been established according to North Carolina's local commission enabling legislation. However, there is no direct correlation between National Register listing and local designation.

THE NATIONAL REGISTER OF HISTORIC PLACES

The National Register of Historic Places is a federal program administered by the National Park Service in partnership with state governments. The National Register was created by the National Historic Preservation Act of 1966 to recognize and protect properties of historic and cultural significance that warrant consideration in federal undertakings such as highway construction and urban renewal projects, and to provide incentives for local and private preservation initiatives.

In each state the program is administered by a *State Historic Preservation Officer* (SHPO), who is usually an official in a state historical or environmental agency. In North Carolina, the State Historic Preservation Officer is the Director of the Office of Archives and History within the Department of Natural and Cultural Resources. The SHPO is responsible for conducting the statewide survey of historic properties, coordinating nominations of eligible properties to the National Register, and conducting environmental review of federal and state projects that may affect properties listed or eligible for listing in the National Register. Nominations of properties to the National Register are prepared and reviewed at the local and state levels, but the final decision to list a property or district in the National Register is made by the National Park Service.

National Register listing is primarily an honorific designation, meaning that a property has been researched and evaluated according to established procedures and determined to be worthy of preservation for its historical value. The listing of a historic or archaeological property in the National Register does not obligate or restrict a private owner in any way unless the owner seeks a federal benefit such as a grant or tax credit. For a private owner, the chief practical benefit of National Register listing is eligibility for investment tax credits that can be claimed against the cost of a certified rehabilitation. If the property is income-producing, the owner may be eligible for a total of 40% in tax credits (20% federal and 20% state) claimed against the costs of a qualified rehabilitation. If the property is non-income-producing, (typically owner-occupied residential) the owner may be eligible for a 15% state income tax credit claimed against the costs of a certified rehabilitation, up to \$150,000 in rehabilitation costs.

For more information about the National Register, see the following numbered *NATIONAL REGISTER FACT SHEETS* available at: <http://www.hpo.ncdcr.gov/how.htm>

- 1: "WHAT IS THE NATIONAL REGISTER OF HISTORIC PLACES?"
- 2: "NATIONAL REGISTER CRITERIA FOR EVALUATION"
- 3: "HOW HISTORIC PROPERTIES ARE LISTED IN THE NATIONAL REGISTER OF HISTORIC PLACES"
- 4: "THE NATIONAL REGISTER OF HISTORIC PLACES IN NORTH CAROLINA: FACTS AND FIGURES"

LOCAL HISTORIC PRESERVATION COMMISSIONS AND LOCAL HISTORIC LANDMARKS AND DISTRICTS

The Preservation Commission. Local governments may establish a historic preservation commission under North Carolina G.S. 160A-400. A preservation commission may carry out a comprehensive preservation program, including recommending individual properties and areas for designation by local governing boards as landmarks and historic districts. While a preservation commission works with both districts and landmarks, there are also commissions that work solely with districts (called historic district commissions) and those that work solely with individual properties (called historic landmarks commissions or historic properties commissions).

A local government is not obligated to create a preservation commission, regardless of how many National Register properties and/or districts there may be in the community. Preservation commissions are generally established only where there is sufficient local interest in historic preservation and the local planning environment is responsive to this interest. A preservation commission is established by an ordinance passed by the local governing board. The organization, operations, and powers of the preservation commission are prescribed by the state enabling legislation. The commission makes recommendations to the local governing board that certain historic landmarks or districts be designated, and such designations are made by local ordinance.

A community may designate local districts and landmarks that are not listed in the National Register. Since the state enabling legislation requires that a designation report be prepared before a local landmark or local district is designated, some local preservation commissions use a National Register nomination as the basis for the local designation report. (For this reason the two types of designations are sometimes confused.) However, National Register listing does not mean that local designation will necessarily follow.

Local Landmarks. Landmark designations apply to individual buildings, structures, sites, areas, or objects which are studied by the commission and judged to have historical, architectural, archaeological, or cultural value. Designation is an honor, meaning the community believes the property deserves recognition and protection. The local government designates landmarks through passage of an ordinance. Owners of landmarks are eligible to apply for an annual 50% property tax deferral as long as the property's important historic features are maintained. Recapture penalties may apply if the owner destroys the property or damages its historic value.

Local Districts. Historic district designation is a type of zoning that applies to entire neighborhoods or other areas that include many historic properties. The zoning provides controls on the appearance of existing and proposed buildings. Designation is an honor, meaning the community believes the architecture, history, and character of the area are worthy of recognition and protection. Historic district zoning can help to improve property values by stabilizing and enhancing the neighborhood's character, and it benefits property owners by protecting them from inappropriate changes by other owners that may destroy the special qualities of the neighborhood. Unlike landmark designations, local historic district designation has no effect on local property taxes for property owners within the designated district.

Certificates of Appropriateness. Owners of local landmarks and of property in local historic districts are required to obtain a *certificate of appropriateness* from their preservation commission before making significant changes or additions to a property, before beginning new construction, or before demolishing or relocating a property. The commission's review of proposed changes ensures that work on property in districts or on a designated landmark is appropriate to the special character of the district or landmark. A certificate of appropriateness for demolition cannot be denied unless the property is deemed to be of statewide significance by the State Historic Preservation Officer. In all other cases, the commission may delay demolition or relocation for up to 365 days to explore alternatives to demolition or relocation.

Federal Tax Benefits and Local Designations: Locally designated landmarks and properties located within local historic districts are generally *not* eligible for federal historic preservation tax credits *unless* the landmark or district is also listed in the National Register of Historic Places. The only exceptions are those properties in local districts which are not listed in the National Register but which have been *certified* by the National Park Service as essentially meeting National Register criteria. There are only three such certified local districts in North Carolina.

An owner of a property that is *both* locally designated and listed in the National Register who is seeking federal investment tax credits for a rehabilitation must acquire a local certificate of appropriateness *and* federal tax certification through separate applications. Approval for one does not imply or guarantee approval for the other, though in most cases local design review guidelines and federal rehabilitation standards are in concurrence and are mutually reinforcing.

FOR MORE INFORMATION contact Amber E. Kidd, Local Preservation Commissions/Certified Local Government Coordinator, North Carolina Department of Natural and Cultural Resources, State Historic Preservation Office, 109 East Jones Street, Raleigh, NC 27601-2807/919-807-6581/amber.kidd@ncdcr.gov.