

## National Register Historic Districts

The National Register of Historic Places programs help communities identify, evaluate, and protect historic resources. National Register districts are **primarily honorary** meaning that the district or property contains historic architecture that is unique to the locality, state, or Nation and is worthy of preservation. By virtue of being in a National Register Historic District, a property owner **is not subject to any requirements or regulations** with regard to the preservation of the property. There is, in turn, **no real protection** within a National Register Historic District against new construction, demolition, or charges to historic structures that would negatively impact the historic character and value of the individual structure or the remainder of the district.

However, there are significant **tax credits for preservation** that are offered to owners of contributing historic structures within a National Register Historic District. Currently, the federal tax code allows for a 20% tax credit for qualifying rehabilitations on income producing properties (such as commercial or residential buildings that are rented for profit). There for, an owner could recoup 20% of the total cost of a rehabilitation project in the form of tax credits. The federal also gives a 10% tax credit for rehabilitations of income-producing non historic structures built before 1936 and used for non-residential purposes. In North Carolina, there is an additional 20% state tax credit creating the potential for the property owner to recoup 40% (state and federal) of the cost of rehabilitation. Owners of non-income producing properties (single-family residents) are eligible for a 30% state tax credit in North Carolina. A project which uses tax credits to help pay for rehabilitation, must meet requirements as administered by the State Historic Preservation Office (SHPO) which must approve all projects and rehabilitation costs.

## LOCAL HISTORIC DISTRICTS

Local historic districts offer **production of our historic resources** while National Register Districts do not. Like National Register Districts, they do designate properties or districts that have local historic significance as being important to the history of the community and worthy of preservation. Unlike NR districts however, local districts **protect the investment** that many property owners have made in improvements to their buildings centered on historic preservation. It also **ensures that new development is consistent with the historic character and qualities of the downtown.**

Local historic districts are zoning overlays. While they do not regulate the use of a property like general use districts (commercial, residential, etc), they do **require that property owners and developers go through the design review process.** Exterior improvements in the historic district must **follow design guidelines** as established by the community. These guidelines ensure that changes to buildings, site design and development, new construction, additions, and demolition do not negatively impact and are in keeping with the historic fabric of the district. While local districts cannot outright deny a demolition, they establish a process that **can help prevent the demolition of historically significant structures.**

Local historic preservation programs that are designated as **Certified Local Governments (CLG) programs are eligible for State and Federal preservation grants** from the State Historic Preservation office.