

## Determining Assessed Value

Prior to carrying out the process of the Mills Act Program, an estimate of property tax savings can be obtained from the San Bernardino County Assessor's Office at (909) 387 - 8307.

Your property tax bill will be reduced because an alternative method for determining the assessed value of the qualified historic property is used. The assessed value is determined by calculating the projected income or theoretical rental value, less certain expenses, divided by a "capitalization rate." When property is owner-occupied, the determination of "income" is based on what the property could reasonably be expected to yield if rented.

The expenses to be deducted from income include those necessary for the operation and maintenance of the property. Typical expenses include: insurance, utilities, and repairs. Expenses that are excluded include: debt service, property taxes and deflation, and interest on funds invested. The actual permitted amount of deductions for expenses is determined by the County Assessor's Office and is based on a different formula for each individual property.

During the term of the Mills Act contract, the assessed value of the property is recalculated each year. If the property appreciated significantly in value and is then sold, the tax savings will be increased because the Mills Act contract is automatically passed on to the new owner.



### Development Services Department Planning Division

35 Cajon Street, Suite 20  
Redlands, CA 92373  
Phone: (909) 798 - 7555 ext. 2

Information, application form, and worksheets:

[www.cityofredlands.org/post/mills-act-program](http://www.cityofredlands.org/post/mills-act-program)



## Mills Act Program

A voluntary program providing reduced property taxes on eligible historic properties.



The Mills Act allows for an agreement between the City of Redlands and a property owner which provides for reduced property taxes on eligible historic property if the property owner agrees to use the tax savings to maintain and preserve the property as a historic resource.

## Get property tax relief using the Mills Act!

The purpose of The Mills Act is to encourage the preservation and restoration of historic properties throughout the City by offering financial incentives to property owners who restore and maintain historic residential and commercial properties. Each new Mills Act contract helps to protect and preserve the character of Redlands.

A significant part of the quality of life of residential districts in Redlands is the variety of architectural styles including Victorian, Craftsman, Tudor Revival, French Revival, Mediterranean Revival, Classical Revival, Tudor Revival, Spanish Colonial Revival, Mission Revival, American Colonial Revival, and Ranch, among others. See if your property qualifies for the Mills Act Program and save money on your property taxes.



### Does Your Property Qualify?

A qualified historic property is a property listed on any federal, state, county, or city register: the National Register of Historic Places, California Register of Historical Resources, California Register of Historical Landmarks, State Points of Historical Interest, and/or the City of Redlands list of Designated Historic Resources.

Owner-occupied residences and income-producing commercial properties may qualify for the Mills Act Program.

### Owner Requirements

In exchange for the property tax relief realized under Mills Act contracts, property owners must agree to maintain and preserve their properties for at least 10 years in accordance with specific historic preservation standards and conditions. Periodic inspections by city or county officials are conducted to ensure proper maintenance of the property. Subject to the discretion of the City of Redlands, the contract provides for the restoration or rehabilitation of properties according to the Secretary of the Interior's Standards for the Treatment of Historic Properties.

### Terms

A Mills Act contract is executed between the property owner and the City for a minimum ten (10) year term. Contracts automatically renew thereafter for one year unless the owner or the City chooses not to renew. Contracts are transferred to new owners when the property is sold.

## Highlights & Benefits

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### Highlights:

- Contract term is 10 years
  - Provides for the preservation of a qualified historic property and when necessary its restoration or rehabilitation
  - Owner submits an annual report to the City summarizing work completed during the prior 12 months
  - Periodic inspection of the subject property
  - Contract is binding on successors in interest in the property
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### Benefits:

- Reduction in property tax
- Helps offset the costs for preservation, restoration, rehabilitation, and/or maintenance
- Increases likelihood of preservation
- Assures mechanism to avoid deterioration
- Can encourage buyers to purchase historic structures
- Visually improves the physical environment of our community

*Images contained are representative of architectural historic styles and not necessarily associated to program recipients. They can be located at <http://rahs.org/>*