

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council of Howard County, Maryland

2016 Legislative Session

Legislative Day No. 16

Bill No. 66 -2016

Introduced by: Calvin Ball
Co-sponsored by: Jon Weinstein

AN ACT establishing a tax credit against the County property tax imposed on residential real property that has suffered flood damage or sewage damage caused by flood conditions under certain circumstances; establishing the amount, terms, conditions, and duration of the credit; providing for an application procedure and administration of the credit; and generally relating to property tax credits.

Introduced and read first time _____, 2016. Ordered posted and hearing scheduled.

By order _____
Jessica Feldmark, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2016.

By order _____
Jessica Feldmark, Administrator

This Bill was read the third time on _____, 2016 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Jessica Feldmark, Administrator

Sealed with the County Seal and presented to the County Executive for approval this _____ day of _____, 2016 at ___ a.m./p.m.

By order _____
Jessica Feldmark, Administrator

Approved by the County Executive _____, 2016

Allan H. Kittleman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; ~~Strike-out~~ indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **WHEREAS**, beginning on July 30, 2016, severe and unusual rainfall caused intense flooding in
2 Ellicott City; and

3 **WHEREAS**, this natural disaster resulted in the loss of life and severe property damage to
4 private property and a variety of public infrastructure facilities; and

5 **WHEREAS**, the harm to property was so significant that the repair, rehabilitation, ~~restoration,~~
6 ~~and redevelopment~~ and restoration will be difficult, expensive, and time-consuming;
7 and

8 **WHEREAS**, Section 9-211 of the Tax-Property article of the Maryland Code authorizes the
9 County to grant a property tax credit on residential real property, but not personal
10 property, that “has suffered flood damage or sewage damage caused by flood
11 conditions”; and

12 **WHEREAS**, State law defines “real property” as “land or improvements to land”; and
13

14 **WHEREAS**, the County can help the private sector in its efforts to rebuild by temporarily
15 reducing or eliminating County property taxes for property owners who are reinvesting in
16 those efforts;

17 **NOW, THEREFORE,**

18 *Section 1. Be It Enacted by the County Council of Howard County, Maryland, that the Howard*
19 *County Code is amended as follows:*

20 *By adding:*

21 *Title 20. Taxes, charges and fees.*

22 *Subtitle 1. Real property tax; administration, credits, and enforcement.*

23 *Part II. Statewide tax credits.*

24 *Section 20.119B. Ellicott City Strong Tax Credit.*

25

26 **Title 20. Taxes, charges and fees.**

27 **Subtitle 1. Real property tax; administration, credits, and enforcement.**

28 **Part II. Statewide tax credits.**

29

30 **SECTION 20.119B. ELLICOTT CITY STRONG TAX CREDIT.**

1 (A) *CREDIT ESTABLISHED.*

2 IN ACCORDANCE WITH § 9-211 OF THE TAX-PROPERTY ARTICLE OF THE ANNOTATED
3 CODE OF MARYLAND AND THIS SECTION, THERE IS A HOWARD COUNTY PROPERTY TAX CREDIT
4 AGAINST THE COUNTY REAL PROPERTY TAX ON RESIDENTIAL REAL PROPERTY, BUT NOT
5 PERSONAL PROPERTY, THAT QUALIFIES UNDER THIS SECTION AS RESIDENTIAL PROPERTY
6 DAMAGED BY FLOOD CONDITIONS.

7 ~~(B) “ELLCOTT CITY HISTORIC DISTRICT” DEFINED.~~

8 ~~“ELLCOTT CITY HISTORIC DISTRICT” MEANS THE ELLCOTT CITY HISTORIC DISTRICT AS~~
9 ~~IDENTIFIED IN THE NATIONAL REGISTER OF HISTORIC PLACES.~~

10 ~~(B)~~ *ELIGIBILITY.*

11 THE OWNER OF A RESIDENTIAL PROPERTY MAY QUALIFY FOR A TAX CREDIT UNDER THIS
12 SECTION IF THE PROPERTY:

13 ~~(1) WAS IN THE ELLCOTT CITY HISTORIC DISTRICT; AND~~

14 ~~(2) SUFFERED FLOOD DAMAGE OR SEWAGE DAMAGE CAUSED BY FLOOD CONDITIONS ON~~
15 ~~JULY 30 OR 31, 2016.~~

16 ~~(C)~~ *AMOUNT AND DURATION OF CREDIT.*

17 (1) SUBJECT TO THE CONDITIONS IN THIS SECTION, THE TAX CREDIT MAY BE GRANTED IN
18 AN AMOUNT OF UP TO 100% OF THE COST TO REPAIR, REHABILITATE, ~~RESTORE, OR~~
19 ~~REDEVELOP OR RESTORE~~ OR RESTORE THE PROPERTY.

20 ~~(2) A QUALIFIED APPLICANT MAY RECEIVE THE CREDIT AUTHORIZED BY THIS SECTION~~
21 ~~FOR TAX YEARS 2017 AND 2018.~~

22 ~~(2) THE~~ IN TAX YEARS 2017 AND 2018, THE DEPARTMENT OF FINANCE SHALL GRANT TO
23 A QUALIFIED APPLICANT THE CREDIT AUTHORIZED BY THIS SECTION IN TAX YEAR 2017 OR 2018.

24 (3) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF THE CREDIT EXCEEDS THE
25 COUNTY PROPERTY TAX IN THE YEAR OF APPLICATION, THE DEPARTMENT OF FINANCE SHALL
26 APPLY THE EXCESS TO ~~THE NEXT TAX YEAR~~ FUTURE TAX YEARS FOR UP TO A TOTAL OF 4 YEARS.

27 ~~(D)~~ *APPLICATION.*

28 (1) TO RECEIVE THE CREDIT, A PROPERTY OWNER SHALL SUBMIT AN APPLICATION TO
29 THE DEPARTMENT OF FINANCE:

30 (I) IN THE FORMAT THAT THE DEPARTMENT OF FINANCE REQUIRES;

31 (II) THAT INCLUDES THE DOCUMENTATION THAT THE DEPARTMENT OF FINANCE
32 REQUIRES; AND

33 (III) DURING 2017 OR 2018, ON OR BEFORE THE ~~DATE~~ DATES THAT THE
34 DEPARTMENT OF FINANCE SETS.

1 (2) ONLY ONE APPLICATION FOR A CREDIT UNDER THIS SECTION MAY BE ACCEPTED FOR
2 EACH PROPERTY DURING A SINGLE TAX YEAR.

3 ~~(F)~~(E) ANNUAL LIMIT.

4 (1) DURING A FISCAL YEAR, THE TOTAL OF ALL TAX CREDITS ~~GRANTED~~ PAID TO
5 APPLICANTS UNDER THIS SECTION SHALL NOT EXCEED ~~\$100,000~~ \$250,000.

6 ~~(2) CREDITS SHALL BE GRANTED~~ PAID ~~IN THE ORDER IN WHICH THE DEPARTMENT OF~~
7 ~~FINANCE RECEIVES THE COMPLETE APPLICATION UNDER SUBSECTION (E) (D) OF~~
8 ~~THIS SECTION.~~

9 ~~(3) AN APPLICATION THAT, IF GRANTED~~ PAID, ~~WOULD CAUSE THE LIMIT IN~~
10 ~~PARAGRAPH (1) OF THIS SUBSECTION TO BE EXCEEDED, SHALL BE GRANTED~~ PAID
11 ~~IN THE NEXT FISCAL YEAR AND IN THE ORDER RECEIVED WITHOUT THE NEED FOR~~
12 ~~AN ADDITIONAL APPLICATION.~~

13 ~~(2)~~ IN A YEAR WHEN THE QUALIFIED APPLICATIONS, IF PAID TO THE FULL AMOUNT
14 POSSIBLE FOR THAT YEAR BASED ON THE ANNUAL COUNTY PROPERTY TAX BILL
15 OF EACH QUALIFIED APPLICANT, WOULD EXCEED THE LIMIT SET IN PARAGRAPH
16 (1) OF THIS SUBSECTION, THE DEPARTMENT OF FINANCE SHALL PAY EACH
17 QUALIFIED APPLICANT PROPORTIONATELY BASED ON THE APPLICANT'S
18 REMAINING ELIGIBLE EXPENSES.

19 ~~(3)~~ IF A CREDIT EXCEEDS THE COUNTY PROPERTY TAX IN THE YEAR OF
20 APPLICATION, THE DEPARTMENT OF FINANCE SHALL APPLY THE EXCESS TO
21 FUTURE TAX YEARS FOR UP TO A TOTAL OF 4 YEARS.

22 ~~(G)~~(F) PUBLICITY.

23 THE DEPARTMENT OF FINANCE SHALL PUBLICIZE THE CREDIT AUTHORIZED BY THIS
24 SECTION IN A WAY DESIGNED TO INFORM THOSE MOST LIKELY TO BENEFIT FROM THE CREDIT.

25 ~~(H)~~(G) REPORT.

26 THE DEPARTMENT OF FINANCE SHALL PROVIDE A PRELIMINARY ANALYSIS TO THE
27 COUNTY COUNCIL ON OR BEFORE JUNE 30, 2017, ON USAGE OF THE ELLICOTT CITY
28 STRONG TAX CREDIT THAT INCLUDES, BUT IS NOT LIMITED TO, INFORMATION ABOUT
29 THE NUMBER OF APPLICANTS, THE DOLLAR AMOUNT OF CREDITS ALLOWED, AND THE
30 PROJECTED TIMELINE TO PAY REMAINING CREDITS. THE DEPARTMENT OF FINANCE
31 SHALL PROVIDE AN UPDATED ANALYSIS TO THE COUNTY COUNCIL ON OR BEFORE
32 JANUARY 15, 2018, ON USAGE OF THE ELLICOTT CITY STRONG TAX CREDIT THAT
33 INCLUDES, BUT IS NOT LIMITED TO, INFORMATION ABOUT THE NUMBER OF APPLICANTS.

1 THE DOLLAR AMOUNT OF CREDITS ALLOWED, AND THE PROJECTED TIMELINE TO PAY
2 REMAINING CREDITS.

3 (H) SHORT TITLE.

4 THE TAX CREDIT ESTABLISHED UNDER THIS SECTION MAY BE CITED AS "ELLCOTT CITY
5 STRONG TAX CREDIT".

6

7 ***Section 2. And Be It Further Enacted*** by the County Council of Howard County, Maryland, that
8 *the tax credits authorized by this Act may be granted in taxable years beginning after June 30,*
9 *2016 and ending before July 1, 2018; however the tax credits may be applied to an applicant's*
10 *tax bills for up to 4 years. The Department of Finance shall set the application deadline for the*
11 *second year of the credit before the end of calendar year 2017 so that a full report on the credit*
12 *can be given to the County Council in January of 2018.*

13

14 ***Section 3. And Be It Further Enacted*** by the County Council of Howard County, Maryland, that
15 *this Act shall become effective 61 days after its enactment.*