

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

County Council of Howard County, Maryland

2017 Legislative Session

Legislative Day No. 1

Bill No.6-2017

Introduced by: The Chairperson at the request of the County Executive

AN ACT clarifying the definition of eligible property; clarifying certain qualified expenses for purposes of qualifying to receive the tax credit; clarifying the process to receive the tax credit; removing certain obsolete provisions; making certain technical corrections; defining certain terms, and generally related to the tax credit for the restoration and rehabilitation of historic or heritage properties.

Introduced and read first time _____, 2017. 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 _____, 2017.

By order _____
Jessica Feldmark, Administrator

This Bill was read the third time on _____, 2017 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 _____, 2017 at ___ a.m./p.m.

By order _____
Jessica Feldmark, Administrator

Approved/Vetoed by the County Executive _____, 2017

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

3
4 By amending Title 20 “Taxes, Charges, and Fees”
5 Section 20.113 “Restorations and rehabilitations of historic or heritage properties”

6
7 **Title 20. Taxes, Charges, and Fees.**

8 **Subtitle 1. Real Property Tax; Administration, Credits, And Enforcement.**

9 **Part II. State-Wide Tax Credits.**

10
11 **Section 20.113. Restorations and rehabilitations of historic or heritage properties.**

12 (a) *Establishment of Historic Tax Credit Program for Increase in Assessed Value.* In accordance with § 9-
13 204.1 of the Tax-Property Article, Annotated Code of Maryland, there is a Howard County Property Tax
14 Credit FOR QUALIFIED EXPENSES NOT TO EXCEED [[in an amount equal to]]the difference between:

15 (1) The Howard County Real Property Tax that, but for the tax credit, would be payable on the
16 assessed value of an eligible historic property after the [[completion of eligible work]]
17 EXPENDITURE OF QUALIFIED EXPENSES; and

18 (2) The Howard County Real Property Tax that would be payable on the assessed value of the
19 property if [[the]] THERE WAS NO EXPENDITURE OF QUALIFIED EXPENSES [[eligible work was not
20 done]].

21 (b) *Definitions.* In this section the following terms have the meanings indicated:

22 (1) *Certificate of eligibility* means the [[document]]ORDER issued by the Commission [[under section
23 20.112 of the County Code]] to the owner of an eligible property, which authorizes the
24 Department of Finance to apply a historic tax credit to the eligible property.

25 (2) *Commission* means the Historic Preservation Commission created under section 6.324 of [[the
26 County]]THIS Code.

27 (3) *Eligible property* MEANS A PROPERTY THAT HAS UNDERGONE SIGNIFICANT IMPROVEMENTS,
28 RESTORATION, OR REHABILITATION RESULTING IN AN INCREASE IN ASSESSED VALUE, AND IS:
29 [[has the meaning stated in subsection 20.112(b)(3) of the County Code.]]

30 (I) A STRUCTURE THAT IS LISTED ON THE HOWARD COUNTY HISTORIC SITES INVENTORY AND IS
31 DESIGNATED BY THE COMMISSION AS HISTORICALLY SIGNIFICANT;

1 (II) A STRUCTURE ELIGIBLE FOR INCLUSION IN THE HOWARD COUNTY HISTORIC SITES
2 INVENTORY, WHICH IS ADDED TO THE INVENTORY PRIOR TO THE FINAL APPROVAL OF A
3 ~~CERTIFICATE OF ELIGIBILITY TAX CREDIT UNDER THIS SECTION~~; OR

4 (III) AN EXISTING PRINCIPAL STRUCTURE OR HISTORIC OUTBUILDING LOCATED WITHIN A LOCAL
5 HISTORIC DISTRICT IN HOWARD COUNTY, WHICH IS DETERMINED BY THE COMMISSION TO BE
6 OF HISTORIC OR ARCHITECTURAL SIGNIFICANCE.

7 ~~[(4) Eligible work has the meaning stated in subsection 20.112(b)(4) of the County Code, except that
8 routine maintenance, as defined under section 16.601 of the County Code, is not eligible work
9 under this section.]]~~

10 (4) ~~INCREASED ASSESSMENT MEANS THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION
11 ASSESSMENT UPON WHICH THE APPLICATION FOR THE TAX CREDIT IS BASED THAT RESULTS FROM
12 THE IMPROVEMENT, RESTORATION, OR REHABILITATION OF ELIGIBLE PROPERTY.~~

13 ~~[[5]]5~~ *Qualified expenses*[:

14 (i) ~~The]]~~MEANS THE amount of money paid by the owner of an eligible property to a licensed
15 contractor for IMPROVEMENTS, RESTORATION, OR THE REHABILITATION OF THE
16 PROPERTY[[eligible work]] or for materials used to IMPROVE, RESTORE, OR REHABILITATE
17 THE PROPERTY,~~WHICH RESULTS IN AN INCREASED ASSESSMENT~~ [[do eligible work]].

18 ~~[[ii) In order to be eligible for a tax credit under this section, qualified:]~~

19 (c) *Procedures*:

20 (1) The owner of an eligible property may apply for a certificate of eligibility under this section [[by
21 complying with the procedures under subsections 20.112(c)(2) through (6) of this subtitle]] IF:

22 (I) QUALIFIED EXPENSES ARE \$5,000.00 OR GREATER;

23 (II) A. PRIOR TO THE EXPENDITURE OF QUALIFIED EXPENSES, THE OWNER OBTAINS A
24 PRE-APPROVAL DETERMINATION FROM THE COMMISSION THAT THE PROPOSED
25 IMPROVEMENTS, RESTORATION, AND REHABILITATION ARE IN ACCORD WITH THE
26 U.S. SECRETARY OF INTERIOR STANDARDS AND GUIDELINES ON
27 REHABILITATION OF HISTORIC STRUCTURES.

28 B. IN THE CASE OF AN EMERGENCY APPLICATION DUE TO FLOOD, FIRE, OR NATURAL
29 DISASTER, THE COMMISSION MAY ISSUE A PRE-APPROVAL DETERMINATION
30 AFTER THE EXPENDITURE OF QUALIFIED EXPENSES IF THE COMMISSION
31 DETERMINES THAT THE WORK REQUIRING THE CERTIFICATION WAS DONE IN
32 ACCORDANCE WITH TITLE 6, SUBTITLE 6 OF THIS CODE AND IS IN ACCORD WITH
33 THE U.S. SECRETARY OF INTERIOR STANDARDS AND GUIDELINES ON THE
34 REHABILITATION OF HISTORIC STRUCTURES.

1 ~~(H)~~(III) A CERTIFICATE OF APPROVAL FROM THE COMMISSION IS OBTAINED FOR ALL WORK
2 SUBJECT TO COMMISSION APPROVAL UNDER SECTION 16.603 OF THIS CODE, OR ANY OTHER
3 PROVISION OF THIS CODE OR THE ZONING REGULATIONS THAT REQUIRES A COMMISSION
4 DETERMINATION;

5 ~~(H)~~(IV) THE OWNER FILES AN APPLICATION WITH THE COMMISSION:

6 A. WITHIN 12 MONTHS OF THE INCREASED ASSESSMENT:

7 B. ON A FORM PROVIDED BY THE COMMISSION AND ACCOMPANIED BY THE PRE-APPROVAL
8 DETERMINATION, ITEMIZED RECEIPTS DOCUMENTING THE QUALIFIED EXPENSES, AND
9 ADDITIONAL INFORMATION THAT THE COMMISSION, BY RULE, REQUIRES;

10 ~~(H)~~(V) THE OWNER OTHERWISE COMPLIES WITH THE PROVISIONS OF THIS SECTION.

11 (2) THE COMMISSION SHALL ISSUE A CERTIFICATE OF ELIGIBILITY STATING THE AMOUNT OF
12 QUALIFIED EXPENSES:

13 (I) IF IT DETERMINES THE PROPERTY TO BE AN ELIGIBLE PROPERTY;

14 (II) IF THE QUALIFIED EXPENSES ARE DOCUMENTED TO THE SATISFACTION OF THE COMMISSION;
15 AND

16 (II) IF ANY CERTIFICATE OF APPROVAL OR COMMISSION DETERMINATION REQUIRED BY THIS
17 CODE OR THE ZONING REGULATIONS HAS BEEN ISSUED FOR THE WORK.

18 ~~[[2]]~~3) The owner of an eligible property may apply to the Department of Finance for a tax credit
19 under this section if:

20 (i) A certificate of eligibility meeting the requirements of this section, for work done on the
21 property, has been given final approval by the Commission; and

22 (ii) The assessed value of the property has increased after a valuation or revaluation under § 8-
23 104 of the Tax-Property Article of the Annotated Code of Maryland.

24 ~~[[3]]~~ The application shall be on a form that the Commission, by rule, requires, and shall be
25 accompanied by the certificate of eligibility.

26 (4) Upon receipt of an application under this subsection, the Department of Finance shall forward a
27 copy of the certificate of eligibility to the State Department of Assessments and Taxation, who
28 shall determine what portion, if any, of the increase in assessment is due to the eligible work.]]

29 ~~[[5]]~~4) ~~[[After the determination by the Department of Assessments and Taxation, the]]~~ THE
30 Department of Finance shall grant the Howard County Real Property Tax Credit under this
31 section, beginning with the first tax year in which the real property tax would increase as a result
32 of the INCREASED assessment.

1 (~~[[6]]~~5) (i) A tax credit under this section is granted annually for a term of ten years, provided that
2 [[no eligible work is]] WORK REQUIRING THE [[altered without the prior]] approval of the
3 Commission IS DONE WITH THE COMMISSION’S APPROVAL.

4 ~~((ii) THE COMMISSION MAY GRANT RETROACTIVE APPROVAL, WHICH SHALL BE SUFFICIENT~~
5 ~~FOR THE TAX CREDIT IN THE CASE OF AN EMERGENCY APPLICATION DUE TO FLOOD, FIRE, OR~~
6 ~~NATURAL DISASTER, IF THE COMMISSION DETERMINES THAT THE WORK REQUIRING ITS~~
7 ~~APPROVAL WAS DONE IN ACCORDANCE WITH TITLE 6, SUBTITLE 6 OF THIS CODE.~~

8 ~~((iii))~~ (ii) If [[eligible work]] THE PROPERTY is altered without the prior approval of the
9 Commission:

- 10 a. The Department of Planning and Zoning shall notify the Department of Finance; and
- 11 b. The tax credit under this section shall lapse beginning with the tax year immediately
12 following the year in which notification is received by the Department of Finance.

13 (d) *Lapse of Credit Due to Damage to Property:*

14 (1) A tax credit granted under this section shall lapse if any [[eligible work]] OF THE
15 IMPROVEMENTS, RESTORATION, OR REHABILITATION WHICH WERE COVERED BY QUALIFIED
16 EXPENSES is damaged due to fire, weather or other natural causes.

17 (2) The owner of the property may, as approved by the Commission, repair the damage and apply for
18 a tax credit under this section.

19 [[e) *Applicability Outside Historic District:*

20 (1) For property not located in an official local historic district, the certificate of eligibility establishes tax
21 credit eligibility.

22 (2) Work not done in accordance with initial approval of a certificate of eligibility does not qualify for a
23 historic tax credit, but otherwise is not subject to subsection 16.606(a) of the Code regarding commission
24 approval or section 16.610 regarding enforcement.]]

25
26 ***Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland that***
27 ***this Act shall become effective 61 days after its enactment.***