

Introduced \_\_\_\_\_  
Public Hearing \_\_\_\_\_  
Council Action \_\_\_\_\_  
Executive Action \_\_\_\_\_  
Effective Date \_\_\_\_\_

**County Council of Howard County, Maryland**

2017 Legislative Session

Legislative Day No. 7\_\_

**Bill No. 33-2017**

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

AN ACT amending an uncodified section in Council Bill No. 9-2014 in order to extend the Renovated, Upgraded, or Rehabilitated Property Adjacent to Route 1 tax credit; providing that applications for the credit received by a certain date will be eligible to receive the credit the full four years of the credit; and declaring this Act to be an emergency measure.

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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 his 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           **WHEREAS**, on or about April 8, 2014, the County Council of Howard County  
2 adopted Council Bill No. 9-2014 (“CB 9”); and

3  
4           **WHEREAS**, CB 9 was signed by the County Executive and became effective on  
5 June 9, 2014; and

6  
7           **WHEREAS**, CB 9 established a tax credit against County real property tax imposed  
8 on certain property located adjacent to Route 1 (the “Route 1 Tax Credit”), under certain  
9 conditions; and

10  
11           **WHEREAS**, Section 6 of CB 9 provides that the tax credit would be effective for  
12 48 months, and at the end of that period, with no further action required by the County  
13 Council, would be abrogated and of no further force and effect; and

14  
15           **WHEREAS**, Section 6 of CB 9 essentially “sunset” the Route 1 tax credit as of the  
16 taxable year ending June 30, 2018; and

17  
18           **WHEREAS**, in order to qualify for the credit, an applicant should have applied by  
19 April 1, 2017; and

20  
21           **WHEREAS**, the County Executive is considering a study to evaluate the current  
22 economic, market, land use, and transportation realities along the Route 1 corridor and  
23 wishes to extend the Route 1 tax credit for another 24 months, pending the outcome of that  
24 study; and

25  
26           **WHEREAS**, in consideration of the extension of the credit, property owners should  
27 be allowed to continue to apply for the credit; and

28  
29           **WHEREAS**, the County Executive also wishes to clarify that credits will be paid  
30 beyond the termination of the credit for applications that have already been granted; and

31

1           **WHEREAS**, Section 209(d) of the Howard County Charter provides that the  
2 County Council may pass an emergency bill to meet an immediate emergency affecting the  
3 public health, safety, or welfare; and  
4

5           **WHEREAS**, in this instance an emergency exists because applications for the credit  
6 can no longer be accepted without the extension authorized by this Act.  
7

8           **NOW, THEREFORE,**  
9

10 ***Section 1. Be it Enacted by the County Council of Howard County, Maryland, that Section***  
11 ***6 of Council Bill No. 9-2014, as enacted on April 9, 2014, is amended as follows:***  
12

13           *“Section 6. And Be It Further Enacted by the County Council of Howard County,*  
14 *Maryland that tax credits authorized by this Act shall remain effective [[for a period of 48*  
15 *months]] THROUGH THE TAXABLE YEAR ENDING JUNE 30, 2020 and, at the end of that period,*  
16 *with no further action required by the County Council, this Act shall be abrogated and of no*  
17 *further force and effect.”*  
18

19 ***Section 2. And Be It Further Enacted by the County Council of Howard County,***  
20 ***Maryland, that the Howard County Code is amended as follows:***  
21

22           *By amending Title 20 “Taxes, Charges, and Fees”*  
23 *Section 20.129D “Renovated, upgraded, or rehabilitated property adjacent to Route*  
24 *1.”.*  
25

26   **Title 20. Taxes, Charges, and Fees.**

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

28   **Part III. State-Authorized Howard County Tax Credits.**  
29

30 **Section 20.129D. Renovated, upgraded, or rehabilitated property adjacent to Route 1.**

31 (a) *Establishment of Tax Credit for Renovated, Upgraded, or Rehabilitated Property:*

1 (1) In accordance with § 9-315(d) of the Tax-Property Article of the Annotated Code of  
2 Maryland, there is a Howard County property tax credit against the County real  
3 property tax on commercial or industrial property that qualifies under this section.

4 (2) The Department of Finance shall administer the credit.

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

6 (1) *Certificate of eligibility* means an order issued by the County to the owner of an  
7 eligible property, which authorizes the Department of Finance to apply a credit to  
8 the eligible property.

9 (2) *Eligible property* means commercial or industrial real property that is less than ten  
10 acres, includes no residential component, and:

11 (i) Directly fronts Route 1; or

12 (ii) Is readily visible from the nearest road edge on Route 1 and adjoins a parcel that  
13 fronts Route 1.

14 (3) *Eligible work:*

15 (i) Means work done:

16 a. On an eligible property;

17 b. In compliance with the Route 1 Design Manual; and

18 c. Is readily visible from the nearest road edge of Route 1.

19 (ii) Includes:

20 a. The renovation, upgrade or rehabilitation of a property, which shall  
21 include the repair, replacement, expansion, or enhancement of the  
22 property; and

23 b. Work that is necessary to maintain the physical integrity of the property  
24 with regard to safety, durability, or weatherproofing.

25 (iii) Does not include:

26 a. Interior finish work that is not necessary to maintain the structural  
27 integrity of the building; or

28 b. Routine landscape or property maintenance.

29 (4) *Verified expenses* means the amount of money paid:

30 (i) By the owner of an eligible property to a licensed contractor, architect, or  
31 consultant for:

- 1                   a. Eligible work; or
- 2                   b. Materials used to do eligible work;
- 3                   (ii) Verified expenses shall be incurred within 12 months prior to the application
- 4                   for a tax credit under this section.
- 5 (c) *Eligibility.* The owner of commercial or industrial property may qualify for a tax credit
- 6 under this section for eligible work done on eligible property.
- 7 (d) *Approval by Agencies.* A request for a tax credit under this section must be approved by
- 8 the County Executive, upon the advice of the Economic Development Authority, the
- 9 Department of Planning and Zoning, and the Department of Finance.
- 10 (e) *Amount of Credit.* The tax credit shall be granted in an amount of 125 percent of the
- 11 verified expenses but for no more than \$100,000.00.
- 12 (f) *Procedures:*
- 13                   (1) The Economic Development Authority, Department of Planning and Zoning, and
- 14                   Department of Finance shall develop an application form.
- 15                   (2) The County, through the Economic Development Authority, Department of
- 16                   Planning and Zoning, and Department of Finance shall give initial approval of a
- 17                   certificate of eligibility:
- 18                   (i) If it determines the property to be an eligible property; and
- 19                   (ii) If it determines that the proposed work is eligible work;
- 20                   (3) The owner of an eligible property shall apply to the Department of Finance for a
- 21                   credit based on verified expenses.
- 22                   (4) Upon completion of the work:
- 23                   (i) The owner shall submit documentation to the Department of Finance:
- 24                   a. No later than April 1 prior to the first tax year for which the credit is being
- 25                   requested;
- 26                   b. That shows the work was done in accordance with the initial approval of the
- 27                   certificate of eligibility; and
- 28                   c. That shall include all verified expenses;
- 29                   (ii) The County, through the Economic Development Authority, Department of
- 30                   Planning and Zoning, and Department of Finance, shall:
- 31                   a. Review the application, the initial approval, and the documentation; and

- 1           b. Give final approval of the certificate of eligibility based on a consideration  
2           of consistency with:
- 3           i. The Route 1 Manual; and  
4           ii. Any subarea plans;
- 5           c. Determine:
- 6           i. What work is eligible work; and  
7           ii. The dollar amount of qualified expenses for the work; and  
8           (iii)The owner shall enter into an agreement in accordance with subsection (j) of this  
9           section.
- 10          (5) The dollar amount of qualified expenses and the amount of the tax credit shall be  
11          entered on the certificate of eligibility.
- 12          (g) *Year Granted.* The Department of Finance shall grant the tax credit for the tax year  
13          immediately following the year in which the certificate of eligibility receives final approval.
- 14          (h) *Exceeding the Amount of Tax.* A TAX CREDIT GRANTED UNDER THIS SECTION SHALL BE  
15          PAID IN MORE THAN ONE FISCAL YEAR IF: [[A property owner may receive a tax credit in  
16          more than one fiscal year]]:
- 17          (1) [[If the]]THE amount of the tax credit under this section exceeds the amount of the  
18          Howard County real property tax, THEN, IN THIS INSTANCE, any unused portion of  
19          the tax credit shall be carried forward for up to four tax years IF:
- 20          (i) THE PROPERTY MEETS THE ELIGIBILITY REQUIREMENT OF THIS SECTION; AND  
21          (ii) THE PROPERTY OWNER APPLIED FOR THE CREDIT ON OR BEFORE APRIL 1, 2019; or  
22          (2) [[If]] REQUIRED [[required]] by the amount of the credit or limitations set forth in  
23          the annual Budget and Appropriation Ordinance[[, a property owner may receive  
24          parts of the credit in more than one fiscal year]].
- 25          (i) *Certificate Runs with Property.* A certificate of eligibility runs with the property and a  
26          change in ownership does not result in the lapse of a tax credit granted under this section.
- 27          (j) *Agreement to Implement Credit.* The recipient of a tax credit under this section shall  
28          enter into a contract with the County that may include, without limitation, conditions  
29          regarding maintenance of the property.
- 30          (k) *Annual Report:*

1 (1) The Economic Development Authority, Department of Planning and Zoning, and  
2 Department of Finance shall report annually to the County Executive and the  
3 County Council concerning the implementation of the tax credit under this section.

4 (2) The report under this subsection shall:

5 (i) Be submitted no later than September first of each year;

6 (ii) Include, for each recipient of a credit under this section during the previous  
7 fiscal year:

8 a. The name of the recipient; and

9 b. The amount of the credit granted;

10 (iii) Include an evaluation of the program and any recommended changes; and

11 (iv) Be presented in a public meeting with the Council.

12 (1) *Annual Limit.*

13 (1) During a fiscal year, the total of all tax credits budgeted for under this section shall  
14 not exceed \$500,000.00.

15 (2) A complete application that, if granted, would cause the limit set forth in paragraph  
16 (1) of this subsection to be exceeded, shall be granted in the next fiscal year or years  
17 and in the order received.

18  
19 ***Section 3. And Be It Further Enacted*** by the County Council of Howard County,  
20 Maryland that, notwithstanding any other law, including but not limited to Section 6 of  
21 County Council Bill 9-2014 as amended by this Act, if a person's application for a tax  
22 credit under Section 20.129D of the Howard County Code is submitted to the County on or  
23 before April 1, 2019, and if the person is required by operation of Section 20.129D(h) of  
24 the Howard County Code to receive all or part of the credit after June 30, 2020, the County  
25 is authorized to provide all or part of the credit to the person after June 30, 2020, as if  
26 Section 20.129D(h) remained in effect.

27  
28 ***Section 4. And Be It Further Enacted*** by the County Council of Howard County,  
29 Maryland that this Act is hereby declared to be an emergency measure and necessary to  
30 meet an immediate emergency affecting the public health, safety, or welfare because,  
31 without the amendment authorized by this Act, applicants will not be able to apply for the

1 *tax credit and, having been passed by the affirmative vote of two-thirds of the members of*  
2 *the Council, shall be effective upon its enactment.*  
3