



HOWARD COUNTY DEPARTMENT OF PLANNING AND ZONING

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Voice/Relay

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Subject: Testimony in for Bill No. 33-2017

To: Lonnie Robbins, Chief Administrative Officer, Department of Administration

From: Valdis Lazdins, Director, Department of Planning and Zoning (DPZ) ✓
Kristin O'Connor, Chief, Division of Comprehensive and Community Planning, DPZ ✓

Date: April 24, 2017

The Department of Planning and Zoning (DPZ) supports Council Bill No. 33-2017 (CB 33) and supports the emergency nature of this Bill. CB 33 amends an uncodified section in Council Bill No. 9-2014 to extend the "Renovated, Upgraded, or Rehabilitated Property Adjacent to Route 1 Tax Credit" (Route 1 Tax Credit) through the taxable year ending June 30, 2020. The current Route 1 Tax Credit program is scheduled to "sunset" on June 30, 2018. To qualify for the credit, applicants were required to apply by April 1, 2017 to receive a credit for the upcoming tax year. Granting this amendment will extend the program for two years and will allow property owners to continue to apply for the credit. The bill also assures that approved credits will be paid beyond June 30, 2020, should the amount of the tax credit exceed the approved property's annual county tax bill. Currently, tax credits cannot be paid out beyond the current "sunset" date even if the work has been approved and completed.

Council Bill No. 9-2014 encourages revitalization along the Route 1 corridor by helping owners renovate and improve the appearance of their properties. The program creates a financial incentive for commercial property and industrial property owners with frontage onto Route 1, or adjacent to a property with Route 1 frontage, through a property tax credit for renovation, rehabilitation and upgrades to their properties.

The two-year extension proposed in CB 33 aligns with the upcoming Route I corridor study to evaluate the economic, market, land use, and transportation realities along the corridor. This extension allows the tax credit program to continue while the Route 1 corridor study is underway. The study will identify revitalization tools, including financial incentive programs that could be used in the future to augment or supplant the current tax credit program.

Additionally, the extension allows DPZ to proceed with tax credit applications that have been received and cannot be awarded due to the current sunset. The emergency nature of this bill allows DPZ to proceed processing these applications immediately after approval of CB 33. Given the reasons stated above, DPZ supports Council Bill No. 33-2017 and appreciates Council's consideration.

cc: Jen Sager, Legislative Coordinator, Department of Administration
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