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*Internal Memorandum*

**Subject:** Testimony on CB 69-2017

**Date:** August 29, 2017

**To:** Lonnie R. Robbins  
Chief Administrative Officer

**From:** Philip Nichols III, *CINW*  
Assistant Chief Administrative Officer

**Summary:**

The Administration has filed legislation to amend the EC Strong property tax credit to expand the scope of the damage eligible for the residential tax credit to include all natural disasters, as well as include commercial real properties that have suffered flood or sewer damage caused by flood conditions. These changes are in keeping with the Administration's position to support the recovery efforts of residents and businesses that have suffered damage to their property as a result of a natural disaster, including flooding.

The current EC Strong property tax credit only applies to residential properties that have suffered damage as a result of flood conditions. During the 2017 Maryland General Assembly, legislation (SB 261 and HB 572) was codified to allow Howard County to expand the property tax credit to include damage on a residential property for all natural disasters, as well as to include damage to a commercial real property due to flood conditions. Should the Maryland General Assembly determine that a property tax credit could be provided to commercial real properties that suffer damage due to any natural disaster, this legislation allows for the current tax credit to be expanded to include that definition without additional local legislation.

The legislation defines a natural disaster as one that has been designated by either Executive Order or by a resolution adopted by the County Council. This legislation will allow an applicant to receive the credit for any tax year on or after July 1, 2017. An applicant must apply for the tax credit within 2 years after the damage was suffered.

The Administration has filed this legislation jointly with Councilmembers Weinstein, Ball, Fox, and Terrasa.

**Fiscal Impact:**

The maximum associated fiscal impact for this legislation in any fiscal year will be \$250,000. The true impact to the County will be based on the number of applicants for the tax credit.