



Internal Memorandum

Subject: Testimony on CB 70-2017

Date: August 29, 2017

To: Lonnie R. Robbins
Chief Administrative Officer

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

Summary:

The Administration has filed legislation to exempt the personal property tax for businesses located within a historic district or National Register District. This will support the business communities primarily in Historic Ellicott City and Savage. The Administration understands that businesses in historic districts face unique demands and challenges beyond those faced by businesses in modern facilities. Therefore, the Administration would like to reduce the barriers to entry for businesses seeking to move their business into a historic district, as well as retain businesses currently in historic districts.

During the 2017 Maryland General Assembly, legislation (HB 566) was codified that allowed Howard County to exempt the personal property tax for businesses located within a historic district or National Register District. The legislation has provided the County the authority to administer this personal property tax exemption.

The legislation will allow business owners to file amended returns for Fiscal Year 2018 to receive the personal property tax exemption this year. In addition, the legislation will not be effective past Fiscal Year 2022, as per the sunset requirement included in HB 566.

The Administration has filed this legislation jointly with Councilmember Weinstein.

Fiscal Impact:

Based on information provided by the Howard County Economic Development Authority and the Department of Finance, the fiscal impact is generally estimated at \$30,000 to the General Fund and \$5,300 to the Fire Fund annually.