

Introduced 5/1/17
Public Hearing 5/15/17
Council Action 6/5/17
Executive Action 6/9/17
Effective Date 6/9/17

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.

Introduced and read first time May 1, 2017. Ordered posted and hearing scheduled.

By order Jessica Feldmark
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 May 15, 2017.

By order Jessica Feldmark
Jessica Feldmark, Administrator

This Bill was read the third time on June 5, 2017 and Passed , Passed with amendments , Failed .

By order Jessica Feldmark
Jessica Feldmark, Administrator

Sealed with the County Seal and presented to the County Executive for his approval this 6th day of June, 2017 at 4 a.m./p.m.

By order Jessica Feldmark
Jessica Feldmark, Administrator

Approved Vetoed by the County Executive June 9, 2017.

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

1 (j) *Agreement to Implement Credit.* The recipient of a tax credit under this section shall
2 enter into a contract with the County that may include, without limitation, conditions
3 regarding maintenance of the property.

4 (k) *Annual Report:*

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

8 (2) The report under this subsection shall:

- 9 (i) Be submitted no later than September first of each year;
- 10 (ii) Include, for each recipient of a credit under this section during the previous
11 fiscal year:
 - 12 a. The name of the recipient; and
 - 13 b. The amount of the credit granted;
- 14 (iii) Include an evaluation of the program and any recommended changes; and
- 15 (iv) Be presented in a public meeting with the Council.

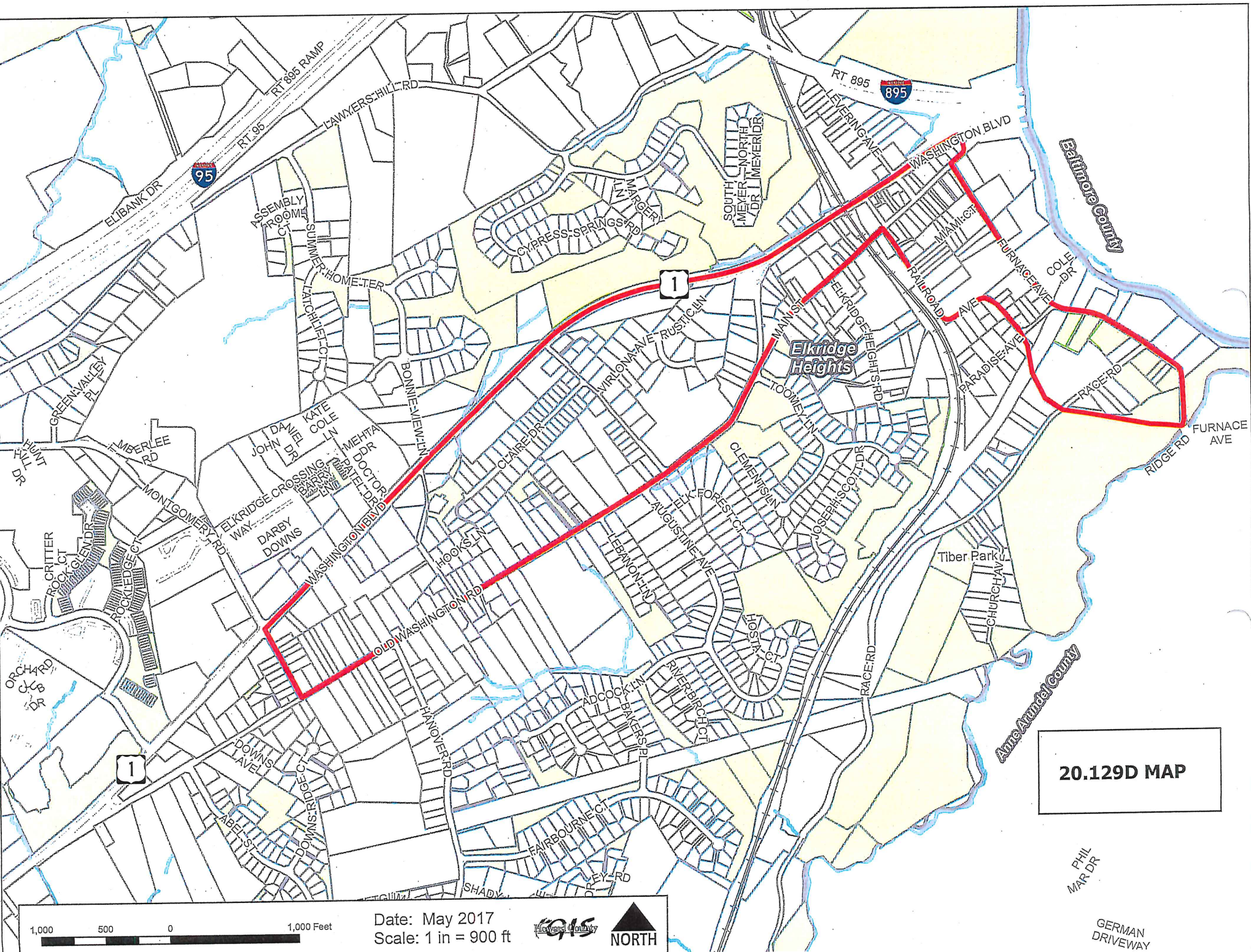
16 (l) *Annual Limit.*

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

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

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

31



20.129D MAP

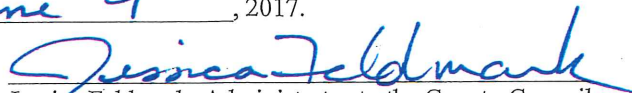
Date: May 2017
Scale: 1 in = 900 ft



PHIL MAR DR
GERMAN DRIVEWAY

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on June 9, 2017.


Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on _____, 2017.

Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on _____, 2017.

Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on _____, 2017.

Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on _____, 2017.

Jessica Feldmark, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on _____, 2017.

Jessica Feldmark, Administrator to the County Council

Amendment 1 to Council Bill No. 33- 2017

BY: Jon Weinstein

Legislative Day No. 9

Date: 6/5/17

Amendment No. 1

(This amendment expands the definition of eligible property to include specified additional locations.)

1 On page 3, in line 11, strike “or” and in line 13, before the period insert:

2 “; OR

3 (III) IS A TAX PARCEL CONTAINED WITHIN THE PERIMETER ON THE “20.129D MAP”.

4

5 On page 6, in line 28, after “Section 4.” insert “And Be It Further Enacted by the County

6 Council of Howard County, Maryland that the 20.129D Map of eligible tax parcels is attached to

7 this bill and incorporated herein by reference. The Department of Finance shall make the

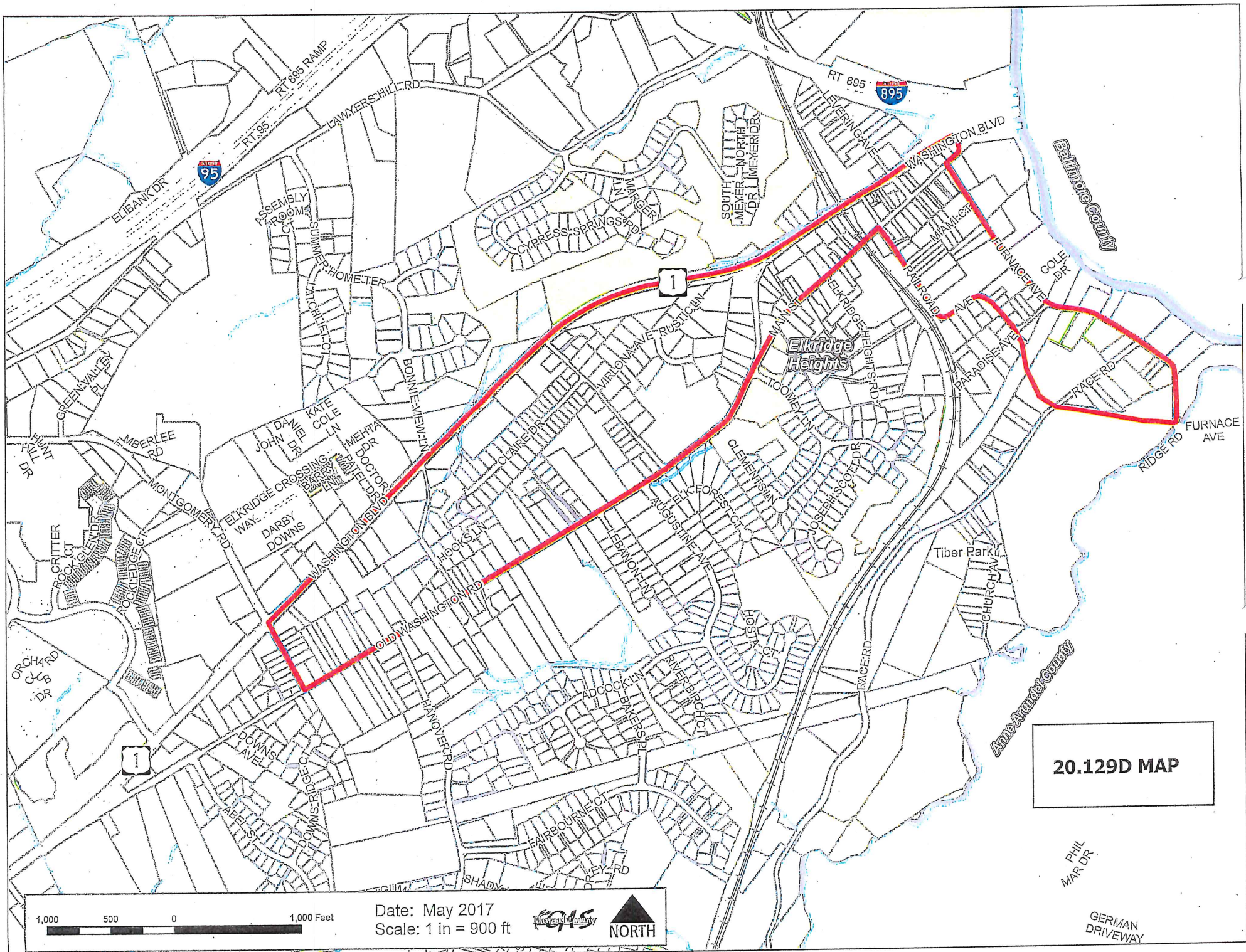
8 “20.129D Map” publicly available”.

9 Section 5.”.

10

11 Attach to the Bill, the 20.129D Map that is attached to this Amendment.

ADOPTED _____
FAILED _____
SIGNATURE _____



20.129D MAP

1,000 500 0 1,000 Feet

Date: May 2017
Scale: 1 in = 900 ft



PHIL MAR DR
GERMAN DRIVEWAY

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- a. Eligible work; or
- b. Materials used to do eligible work;

(ii) Verified expenses shall be incurred within 12 months prior to the application for a tax credit under this section.

(c) *Eligibility.* The owner of commercial or industrial property may qualify for a tax credit under this section for eligible work done on eligible property.

(d) *Approval by Agencies.* A request for a tax credit under this section must be approved by the County Executive, upon the advice of the Economic Development Authority, the Department of Planning and Zoning, and the Department of Finance.

(e) *Amount of Credit.* The tax credit shall be granted in an amount of 125 percent of the verified expenses but for no more than \$100,000.00.

(f) *Procedures:*

(1) The Economic Development Authority, Department of Planning and Zoning, and Department of Finance shall develop an application form.

(2) The County, through the Economic Development Authority, Department of Planning and Zoning, and Department of Finance shall give initial approval of a certificate of eligibility:

- (i) If it determines the property to be an eligible property; and
- (ii) If it determines that the proposed work is eligible work;

(3) The owner of an eligible property shall apply to the Department of Finance for a credit based on verified expenses.

(4) Upon completion of the work:

(i) The owner shall submit documentation to the Department of Finance:

- a. No later than April 1 prior to the first tax year for which the credit is being requested;
- b. That shows the work was done in accordance with the initial approval of the certificate of eligibility; and
- c. That shall include all verified expenses;

(ii) The County, through the Economic Development Authority, Department of Planning and Zoning, and Department of Finance, shall:

- a. Review the application, the initial approval, and the documentation; and

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.

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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

Amendment 1 to Council Bill No. 33- 2017

BY: Jon Weinstein

Legislative Day No. 9

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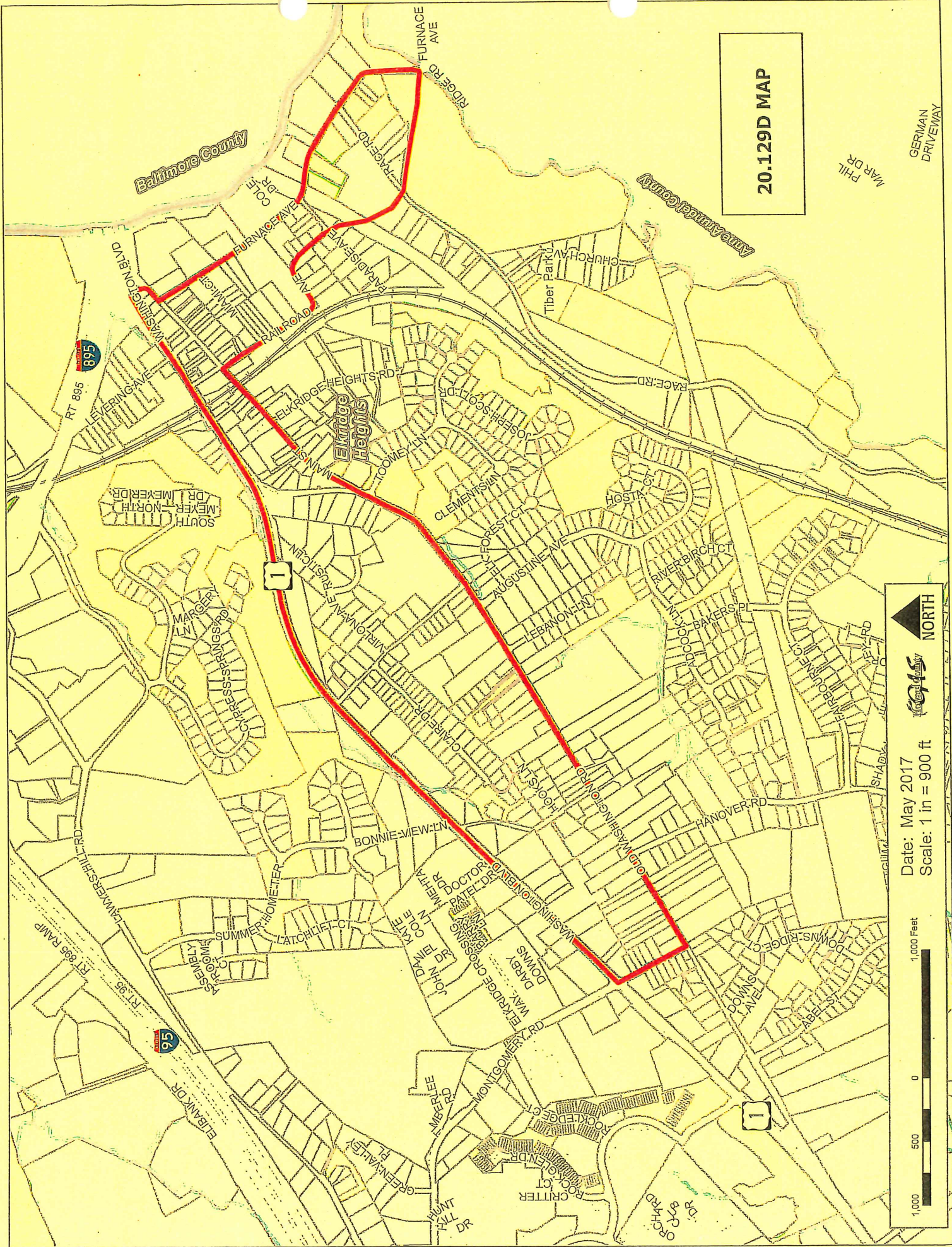
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5 On page 6, in line 28, after “Section 4.” insert “*And Be It Further Enacted by the County*
6 *Council of Howard County, Maryland that the 20.129D Map of eligible tax parcels is attached to*
7 *this bill and incorporated herein by reference. The Department of Finance shall make the*
8 *“20.129D Map” publicly available*”.

9 *Section 5.*”.

10

11 Attach to the Bill, the 20.129D Map that is attached to this Amendment.



20.129D MAP



Date: May 2017
Scale: 1 in = 900 ft



Baltimore County

Anne Arundel County

GERMAN DRIVEWAY
PHL MAR DR

RT 895

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FURNACE AVE
RIDGE RD

WASHINGTON BLVD
LEVERING AVE

RAILROAD

ELBRIDGE HEIGHTS

CLEMENTS LN

EL FOREST CT

AUGUSTINE AVE

TEBANON LN

WASHINGTON RD

HANOVER RD

DOWNNS RIDGE CT

DOWNNS LANE

ROCKLEDGE CT

ROCKLEDGE CT

ROCKLEDGE CT

LAMBERSHILL RD

ASSEMBLY

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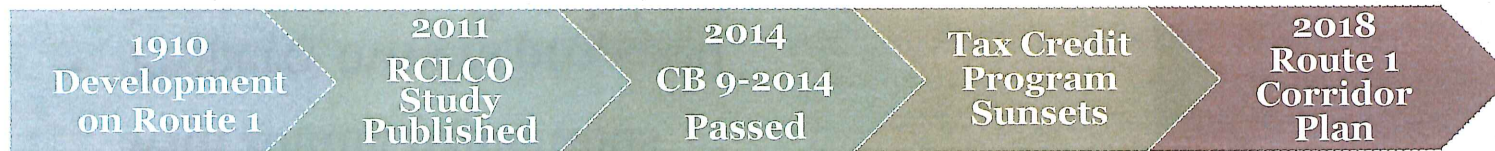
**HOWARD COUNTY
ROUTE 1 TAX CREDIT PROGRAM
COUNCIL BILL
NO. 33-2017**

MAY 15, 2017

**Public Hearing
CB 33-2017**



Background



- The Robert Charles Lesser & Co. (RCLCO) Study identified Route 1 as an important employment corridor for the County but acknowledged that long stretches of Route 1 frontage included “a hodgepodge of longstanding commercial visual blight”.
- CB 9 – 2014 approved to fund a four-year tax credit program for commercial and industrial properties that front Route 1
- CB 33-2017 requests to extend the program until the Route 1 Corridor Plan is complete



Background

Years 2-4: Gained traction but continued slow pace

- *Approved* three applications
- *Assisted* two property owners from pre-approval through final tax credit verification process (including review of all required documentation and a signed maintenance agreement)
- *Held* one application due to sunset
- *Communicated* recently with three interested property owners awaiting the extension



Exterior Improvements

- exterior improvements to a building façade
- exterior painting and cleaning
- structural improvements to a building façade
- structure mounted signage, canopies, shutters/awnings
- screening of utility, trash or storage enclosures
- enhanced exterior building lighting
- replacement or enhancement of streetscape amenities





Route 1 Tax Credit Program 9375 Washington Boulevard

Before



After





Next Steps

Extend to Years 5 and 6: DPZ, the EDA, and Finance continue the program until the Route 1 Corridor Plan is complete

- Allow approved projects to receive full tax credit amount
- Process the one pending application
- Work with two other interested property owners to complete applications for pre-approval
- Process five properties per year along Route 1



HOWARD COUNTY DEPARTMENT OF PLANNING AND ZONING

3430 Courthouse Drive

Ellicott City, Maryland 21043

410-313-2350

Voice/Relay

Valdis Lazdins, Director

FAX 410-313-3467

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) *W*
Kristin O'Connor, Chief, Division of Comprehensive and Community Planning, DPZ *KO*

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 1 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
B. Diane Wilson, Chief of Staff
Gary W. Kuc, County Solicitor
Lisa O'Brien, Principal Attorney, Office of Law
Amy Gowan, Deputy Director, Department of Planning and Zoning
George Saliba, Planner II, DCCP, Department of Planning and Zoning
Linda Watts, Finance, Department of Administration
Vernon Thompson, HCEDA