



Howard County

Internal Memorandum

Subject: Testimony for Council Bill 36 -2013
(Historic Property Tax Credit Increase)

To: Lonnie R. Robbins
Chief Administrative Officer

From: Marsha S. McLaughlin, Director
Department of Planning and Zoning

Date: June 3, 2013

The Department of Planning and Zoning supports adoption of Council Bill 36-2013 which proposes to amend Sections 20.112 (a) of the Howard County Code to increase the current property tax credit for historic property renovation from 10% to 25% and Sections 20.112 (9ii) which will increase the historic tax credit from four years to up to five years.

The Legislation is to incentivize our citizens to preserve and restore Howard County historic structures when they might otherwise struggle to afford proper care of these properties. The intent of this Legislation is to reduce ‘demolition by neglect’, as well as discourage historic structures being demolished for redevelopment. This Bill increases the incentive for citizens to use the tax credit by increasing both the amount of the tax credit for Historic District Commission approved restoration work and the time available to use this property tax credit.

Fiscal Impact

There is minimal fiscal impact anticipated with the adoption of this Council Bill. The annual average cost from historic preservation tax credits from the past 14 years is \$12,620 and the peak year was \$23,000 which was FY03/04. Based on these figures, a 25% tax credit would only reflect an average total credit for the entire county of \$31,550. Based on this history, a dramatic fiscal impact increase is not expected, however, the opportunity for historic properties to survive and thrive in Howard County is priceless.

cc: Jessica Feldmark, , Chief of Staff
Jen Sager, Legislative Coordinator
Ray Wacks, Budget Director
Steve Lafferty, Director of Special Projects