

Introduced NOV. 7, 2011
Public Hearing NOV. 21, 2011
Council Action DEC. 5, 2011
Executive Action DEC. 2, 2011
Effective Date FEB. 5, 2012

County Council Of Howard County, Maryland

2011 Legislative Session

Legislative Day No. 12

Bill No. 55 -2011

Introduced by: Calvin Ball
Co-sponsored by: Courtney Watson

AN ACT authorizing a property tax credit for certain residential buildings that meet specified environmental standards; providing for the amount and duration of the credit; and generally relating to property tax credits.

Introduced and read first time November 7, 2011. Ordered posted and hearing scheduled.

By order Stephen M LeGendre
Stephen LeGendre, 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 November 21, 2011.

By order Stephen M LeGendre
Stephen LeGendre, Administrator

This Bill was read the third time on December 5, 2011 and Passed , Passed with amendments , Failed .

By order Stephen M LeGendre
Stephen LeGendre, Administrator

Sealed with the County Seal and presented to the County Executive for approval this 6th day of December, 2011 at 3:00 a.m./p.m.

By order Stephen M LeGendre
Stephen LeGendre, Administrator

Approved/Noted by the County Executive December 6th, 2011

Ken Ulman
Ken Ulman, 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 **Section 1. Be it enacted by the County Council of Howard County, Maryland, that the Howard**
2 **County Code is amended as follows:**

3 *By amending:*

4 *Title 20. Taxes, Charges and Fees.*

5 *Subtitle 1 Real property Tax; Administration, Credits, and Enforcement.*

6 *Part III State-Authorized Howard County Tax Credits.*

7 *Section 20.129B Property tax credit for high performance buildings.*

8
9 **Title 20. Taxes, Charges and Fees.**

10 **Subtitle 1 Real property Tax; Administration, Credits, and Enforcement.**

11 **Part III State-Authorized Howard County Tax Credits.**

12
13 **Sec. 20.129B. - Property tax credit for high performance buildings.**

14 (a) *Definitions.* In this section, the following terms have the meanings indicated:

15 (1) High performance building means a building that:

16 (i) Achieves at least a silver rating according to the U.S. Green Building
17 Council's LEED (Leadership in Energy and Environmental Design) rating
18 system;

19 (ii) ACHIEVES AT LEAST A SILVER CERTIFICATION LEVEL OF THE NATIONAL GREEN
20 BUILDING STANDARD ICC-700 IF THE DIRECTOR OF THE DEPARTMENT OF
21 INSPECTIONS, LICENSES AND PERMITS FINDS THAT THE STANDARD IS
22 EQUIVALENT TO AT LEAST A SILVER RATING ACCORDING TO THE U.S. GREEN
23 BUILDING COUNCIL'S LEED (LEADERSHIP IN ENERGY AND ENVIRONMENTAL
24 DESIGN) RATING SYSTEM;

25 (iii) (iii) Achieves at least a comparable rating according to design standards that
26 the Director of the Department of Inspections, Licenses and Permits may
27 adopt by regulation as equivalent to a silver rating in the LEED rating
28 system; or

29 (iii) (iv) Meets comparable green building guidelines or standards approved
30 by the State.

31 (2) LEED rating system shall have the meaning set forth in section 3.1002 of this

32 Code.

1 (3) R-2 OR R-3 BUILDING HAS THE MEANING ASCRIBED TO THAT TERM UNDER THE
2 HOWARD COUNTY BUILDING CODE.

3 (b) *Credit Established.* In accordance with section 9-242 of the tax-property article of the
4 Annotated Code of Maryland, the owner of a high performance building OR AN R-2 OR R-3
5 BUILDING THAT QUALIFIES UNDER SUBSECTION (D) OF THIS SECTION may receive a property
6 tax credit against County property taxes imposed on the high performance building.

7 (c) *Amount and Duration of Credit for Certification in LEED Core and Shell or New*
8 *Construction Rating Systems.* For a high performance building that is certified in the
9 LEED 2009 rating system for core and shell or a comparable rating system that the
10 Director of Inspections, Licenses and Permits may adopt by regulation:

11 (1) The amount of the tax credit is a percentage of the total County property tax
12 assessed on the high performance building as follows:

- 13 (i) LEED certified silver—25 percent;
- 14 (ii) LEED certified gold—50 percent;
- 15 (iii) LEED certified platinum—75 percent; and

16 (2) The tax credit authorized by this subsection continues for five years.

17 ~~(D) AMOUNT AND DURATION OF CREDIT FOR R-2 AND R-3 BUILDINGS.~~

18 ~~(1) THIS SUBSECTION APPLIES TO AN R-2 OR R-3 BUILDING THAT ACHIEVES AT LEAST A~~
19 ~~SILVER RATING UNDER THE LEED FOR HOMES RATING SYSTEM OR A COMPARABLE RATING~~
20 ~~SYSTEM THAT THE DIRECTOR OF INSPECTIONS, LICENSES AND PERMITS MAY ADOPT BY~~
21 ~~REGULATION.~~

22 ~~(2) THE TAX CREDIT FOR A BUILDING UNDER THIS SUBSECTION IS A PERCENTAGE OF~~
23 ~~THE TOTAL COUNTY PROPERTY TAX CREDIT ASSESSED ON THE BUILDING AS FOLLOWS:~~

- 24 ~~(i) FIRST YEAR: 100 PERCENT~~
- 25 ~~(ii) SECOND YEAR: 75 PERCENT~~
- 26 ~~(iii) THIRD YEAR: 50 PERCENT~~
- 27 ~~(iv) FOURTH YEAR: 25 PERCENT~~

28 ~~“(D) AMOUNT AND DURATION OF CREDIT FOR HIGH PERFORMANCE R-2 AND R-3 BUILDINGS.~~

29 ~~(1) THIS SUBSECTION APPLIES TO AN R-2 OR R-3 BUILDING THAT:~~

30 ~~(i) ACHIEVES AT LEAST A SILVER RATING UNDER THE LEED FOR HOMES RATING~~
31 ~~SYSTEM OR A COMPARABLE RATING SYSTEM THAT THE DIRECTOR OF INSPECTIONS, LICENSES~~
32 ~~AND PERMITS MAY ADOPT BY REGULATION; AND~~

1 (I) IS A HIGH PERFORMANCE BUILDING.

2 (2) THE TAX CREDIT UNDER THIS SUBSECTION FOR A BUILDING THAT HAS A LEED
3 PLATINUM OR EQUIVALENT RATING IS A PERCENTAGE OF THE TOTAL COUNTY PROPERTY TAX
4 CREDIT ASSESSED ON THE BUILDING AS FOLLOWS:

5 (I) FIRST YEAR: 100 PERCENT;

6 (II) SECOND YEAR: 75 PERCENT;

7 (III) THIRD YEAR: 50 PERCENT; AND

8 (IV) FOURTH YEAR: 25 PERCENT.

9 (3) THE TAX CREDIT UNDER THIS SUBSECTION FOR A BUILDING THAT HAS A LEED GOLD OR
10 EQUIVALENT RATING IS A PERCENTAGE OF THE TOTAL COUNTY PROPERTY TAX CREDIT ASSESSED
11 ON THE BUILDING AS FOLLOWS:

12 (I) FIRST YEAR: 90 PERCENT;

13 (II) SECOND YEAR: 68 PERCENT;

14 (III) THIRD YEAR: 45 PERCENT; AND

15 (IV) FOURTH YEAR: 23 PERCENT.

16 (4) THE TAX CREDIT UNDER THIS SUBSECTION FOR A BUILDING THAT HAS A LEED SILVER
17 OR EQUIVALENT RATING IS A PERCENTAGE OF THE TOTAL COUNTY PROPERTY TAX CREDIT
18 ASSESSED ON THE BUILDING AS FOLLOWS:

19 (I) FIRST YEAR: 75 PERCENT;

20 (II) SECOND YEAR: 56 PERCENT;

21 (III) THIRD YEAR: 38 PERCENT; AND

22 (IV) FOURTH YEAR: 19 PERCENT.

23 ((5) (I) IN ONE FISCAL YEAR, THE TAX CREDIT UNDER THIS SUBSECTION MAY NOT
24 EXCEED \$5,000 PER BUILDING; PROVIDED, HOWEVER, THAT EACH OWNER OCCUPIED UNIT IS
25 ALLOWED A CREDIT NOT TO EXCEED \$5,000.

26 (II) EXCESS CREDITS SHALL NOT BE CARRIED OVER TO FUTURE YEARS.

27 [[[d)]] (E) *Amount and Duration of Credit for Certification in Existing Building Rating*

28 *System.* For a high performance building that is certified in the LEED 2009 rating system
29 for existing buildings or a comparable rating system that the Director of Inspections,
30 Licenses and Permits may adopt by regulation:

31 (1) The amount of the tax credit is a percentage of the total County property tax
32 assessed on the high performance building as follows:

33 (i) LEED certified silver—Ten percent;

- 1 (ii) LEED certified gold—25 percent;
- 2 (iii) LEED certified platinum—50 percent; and
- 3 (2) The tax credit authorized by this subsection continues for three years.
- 4 ~~[(e)]~~ (F) *Prohibition.* A property owner ~~[[may not receive a credit under both subsection~~
5 ~~(c) and subsection (d)]]~~ WHO IS GRANTED A CREDIT UNDER ONE SUBSECTION OF THIS
6 SECTION MAY NOT BE GRANTED A CREDIT UNDER ANY OTHER SUBSECTION OF THIS SECTION
7 FOR THE SAME PROPERTY during the same fiscal year.
- 8 ~~[(f)]~~ (G) *Credit Runs with the Property.* A tax credit granted under this section runs with
9 the property and a change in ownership does not result in the lapse of the tax credit.
- 10 ~~[(g)]~~ (H) *Application.* To receive the tax credit, a property owner shall submit an
11 application to the Department of Finance:
- 12 (1) On the form that the Department of Finance requires;
- 13 (2) That is accompanied by proof that the property meets the definition of a "high
14 performance building"; and
- 15 (3) On or before the date that the Department of Finance sets.
- 16 ~~[(h)]~~ (I) *Report.* On or before October 31 of each year, the Director of Finance shall
17 submit a report to the County Council and the County Executive on tax credits granted
18 under this section in the prior fiscal year that includes:
- 19 (1) A list of all credits granted and the monetary amount of each credit granted under
20 ~~[[subsections (c) and (d) of]]~~ this section;
- 21 (2) The levels of certification obtained by recipients of the credit; and
- 22 (3) An estimated total fiscal impact for the current fiscal year and for nine ensuing
23 fiscal years.
- 24 ~~[(i)]~~ (J) *Administration.* The Department of Finance may adopt guidelines, regulations, or
25 procedures to administer this section.
- 26 ~~[(j)]~~ (K) *Effective Date.* The tax credit authorized by SUBSECTION (D) OF this section applies
27 to tax years beginning after ~~[[June 30, 2008]]~~ JUNE 30, 2012, AND SHALL TERMINATE AND
28 BE OF NO EFFECT AFTER JUNE 30, 2017.

29

30 ***Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland, that***
31 ***this Act shall take effect 61 days after its enactment.***

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on December 6, 2011.

Stephen M. LeGendre
Stephen M. LeGendre, 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 _____, 2011.

Stephen M. LeGendre, 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 _____, 2011.

Stephen M. LeGendre, 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 _____, 2011.

Stephen M. LeGendre, 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 _____, 2011.

Stephen M. LeGendre, 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 _____, 2011.

Stephen M. LeGendre, Administrator to the County Council

Amendment 1 Amendment 1 to Council Bill No. 55 -2011

BY: Calvin Ball and Mary Kay Sigaty

Legislative Day No. 13
Date: December 5, 2011

Amendment No. 1 Amendment 1

(This amendment requires R2 and R3 buildings to be "high performance buildings" and deletes references to the home energy rating system and energy star qualification.)

- 1 In line 15, before "R-2" insert "HIGH PERFORMANCE".
- 2 Strike lines 20 and 21 and substitute "(II) IS A HIGH PERFORMANCE BUILDING."

ADOPTED December 5, 2011
FAILED _____
SIGNATURE Stephen M. Bender

Amendment 1 to Council Bill No. 55 -2011

BY: Calvin Ball

Legislative Day No. 13
Date: December 5, 2011

Amendment No. 1

(This amendment (1) specifies that a high performance building includes one that attains the silver certification level of the National Green Building Standard if DILP finds that the standard is equivalent to LEED silver or better, (2) requires an R-2 or R-3 building to meet a certain HERS standard or be Energy Star Qualified, (3) sets the credit for specified LEED or equivalent ratings, and (4) sets a cap for an individual credit.)

1 On the Title page, in the purpose paragraph, after "standards;" insert "altering a certain definition.".

2

3 On page 1, after line 18, insert:

4 "(II) ACHIEVES AT LEAST A SILVER CERTIFICATION LEVEL OF THE NATIONAL GREEN
5 BUILDING STANDARD ICC-700 IF THE DIRECTOR OF THE DEPARTMENT OF INSPECTIONS, LICENSES AND
6 PERMITS FINDS THAT THE STANDARD IS EQUIVALENT TO AT LEAST A SILVER RATING ACCORDING TO THE
7 U.S. GREEN BUILDING COUNCIL'S LEED (LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN)
8 RATING SYSTEM."

9

10 Also on page 1, in line 19, strike "(ii)" and substitute "(III)".

11

12 Also on page 1, in line 23, strike "(iii)" and substitute "(IV)".

13

14 On page 2, strike lines 13 through 23 in their entirety and substitute:

15 "(D) AMOUNT AND DURATION OF CREDIT FOR HIGH PERFORMANCE R-2 AND R-3 BUILDINGS.

16 (1) THIS SUBSECTION APPLIES TO AN R-2 OR R-3 BUILDING THAT :

17 (I) ACHIEVES AT LEAST A SILVER RATING UNDER THE LEED FOR HOMES RATING
18 SYSTEM OR A COMPARABLE RATING SYSTEM THAT THE DIRECTOR OF INSPECTIONS, LICENSES
19 AND PERMITS MAY ADOPT BY REGULATION; AND

20 (II) 1. HAS A HOME ENERGY RATING SYSTEM SCORE OF 70 OR LESS; OR

21 2. IS AN ENERGY STAR QUALIFIED HOME;

22 (II) IS A HIGH PERFORMANCE BUILDING.

ADOPTED December 5, 2011

FAILED _____

SIGNATURE Stephen M. Glendon

1 (2) THE TAX CREDIT UNDER THIS SUBSECTION FOR A BUILDING THAT HAS A LEED
2 PLATINUM OR EQUIVALENT RATING IS A PERCENTAGE OF THE TOTAL COUNTY PROPERTY TAX
3 CREDIT ASSESSED ON THE BUILDING AS FOLLOWS:

- 4 (I) FIRST YEAR: 100 PERCENT;
5 (II) SECOND YEAR: 75 PERCENT;
6 (III) THIRD YEAR: 50 PERCENT; AND
7 (IV) FOURTH YEAR: 25 PERCENT.

8 (3) THE TAX CREDIT UNDER THIS SUBSECTION FOR A BUILDING THAT HAS A LEED GOLD OR
9 EQUIVALENT RATING IS A PERCENTAGE OF THE TOTAL COUNTY PROPERTY TAX CREDIT ASSESSED
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- 11 (I) FIRST YEAR: 90 PERCENT;
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16 OR EQUIVALENT RATING IS A PERCENTAGE OF THE TOTAL COUNTY PROPERTY TAX CREDIT
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- 18 (I) FIRST YEAR: 75 PERCENT;
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20 (III) THIRD YEAR: 38 PERCENT; AND
21 (IV) FOURTH YEAR: 19 PERCENT.

22 ((5) (i) IN ONE FISCAL YEAR, THE TAX CREDIT UNDER THIS SUBSECTION MAY NOT
23 EXCEED \$5,000 PER BUILDING; PROVIDED, HOWEVER, THAT EACH OWNER OCCUPIED UNIT IS
24 ALLOWED A CREDIT NOT TO EXCEED \$5,000.

25 (ii) EXCESS CREDITS SHALL NOT BE CARRIED OVER TO FUTURE YEARS."
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BY: Calvin Ball

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23 ALLOWED A CREDIT NOT TO EXCEED \$5,000.

24 (II) EXCESS CREDITS SHALL NOT BE CARRIED OVER TO FUTURE YEARS."
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6 *Part III State-Authorized Howard County Tax Credits.*

7 *Section 20.129B Property tax credit for high performance buildings.*

8
9 **Title 20. Taxes, Charges and Fees.**

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19 (ii) Achieves at least a comparable rating according to design standards that
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21 adopt by regulation as equivalent to a silver rating in the LEED rating
22 system; or

23 (iii) Meets comparable green building guidelines or standards approved by the
24 State.

25 (2) LEED rating system shall have the meaning set forth in section 3.1002 of this

26 Code.

27 (3) R-2 OR R-3 BUILDING HAS THE MEANING ASCRIBED TO THAT TERM UNDER THE
28 HOWARD COUNTY BUILDING CODE.

29 (b) *Credit Established.* In accordance with section 9-242 of the tax-property article of the
30 Annotated Code of Maryland, the owner of a high performance building OR AN R-2 OR R-3

1 BUILDING THAT QUALIFIES UNDER SUBSECTION (D) OF THIS SECTION may receive a property
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5 SECTION MAY NOT BE GRANTED A CREDIT UNDER ANY OTHER SUBSECTION OF THIS SECTION
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8 the property and a change in ownership does not result in the lapse of the tax credit.
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13 performance building"; and
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16 submit a report to the County Council and the County Executive on tax credits granted
17 under this section in the prior fiscal year that includes:
- 18 (1) A list of all credits granted and the monetary amount of each credit granted under
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22 fiscal years.
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27 BE OF NO EFFECT AFTER JUNE 30, 2017.

28

29 *Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland, that*
30 *this Act shall take effect 61 days after its enactment.*