

Introduced \_\_\_\_\_  
Public Hearing \_\_\_\_\_  
Council Action \_\_\_\_\_  
Executive Action \_\_\_\_\_  
Effective Date \_\_\_\_\_

## County Council Of Howard County, Maryland

2014 Legislative Session

Legislative Day No. 3

### Bill No. 9 -2014

Introduced by: The Chairperson at the request of the County Executive

AN ACT establishing a tax credit against the County tax imposed on real property located adjacent to Route 1 that is renovated, upgraded, or rehabilitated, under certain conditions; establishing the amount, terms, conditions, and duration of the credit; providing for an application procedure and administration of the credit; and generally relating to property tax credits.

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Introduced and read first time \_\_\_\_\_, 2014. Ordered posted and hearing scheduled.

By order \_\_\_\_\_  
Sheila M. Tolliver, 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 \_\_\_\_\_, 2014.

By order \_\_\_\_\_  
Sheila M. Tolliver, Administrator

This Bill was read the third time on \_\_\_\_\_, 2014 and Passed \_\_\_\_, Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

By order \_\_\_\_\_  
Sheila M. Tolliver, Administrator

Sealed with the County Seal and presented to the County Executive for approval this \_\_\_\_ day of \_\_\_\_\_, 2014 at \_\_\_\_ a.m./p.m.

By order \_\_\_\_\_  
Sheila M. Tolliver, Administrator

Approved by the County Executive \_\_\_\_\_, 2014

\_\_\_\_\_  
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  
2 Howard County Code is amended as follows:

3 By adding:

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 20.129D. Renovated, Upgraded, or Rehabilitated Property Adjacent to  
8 Route 1.

9

10 **Title 20. Taxes, charges and fees.**

11 **Subtitle 1. Real property tax; administration, credits, and enforcement.**

12 **Part III. State-Authorized Howard County tax credits.**

13

14 **SECTION 20.129D. RENOVATED, UPGRADED, OR REHABILITATED PROPERTY**

15 **ADJACENT TO ROUTE 1.**

16 (A) *ESTABLISHMENT OF TAX CREDIT FOR RENOVATED, UPGRADED, OR REHABILITATED*  
17 *PROPERTY:*

18 (1) IN ACCORDANCE WITH § 9-315(D) OF THE TAX-PROPERTY ARTICLE OF THE  
19 ANNOTATED CODE OF MARYLAND, THERE IS A HOWARD COUNTY  
20 PROPERTY TAX CREDIT AGAINST THE COUNTY REAL PROPERTY TAX ON  
21 COMMERCIAL OR INDUSTRIAL PROPERTY THAT QUALIFIES UNDER THIS  
22 SECTION.

23 (2) THE DEPARTMENT OF FINANCE SHALL ADMINISTER THE CREDIT.

24 (B) *DEFINITIONS.* IN THIS SECTION THE FOLLOWING TERMS HAVE THE MEANINGS  
25 INDICATED:

26 (1) *CERTIFICATE OF ELIGIBILITY* MEANS AN ORDER ISSUED BY THE COUNTY TO  
27 THE OWNER OF AN ELIGIBLE PROPERTY, WHICH AUTHORIZES THE  
28 DEPARTMENT OF FINANCE TO APPLY A CREDIT TO THE ELIGIBLE PROPERTY.

29 (2) *ELIGIBLE PROPERTY* MEANS COMMERCIAL OR INDUSTRIAL REAL PROPERTY  
30 THAT:

31 (i) DIRECTLY FRONTS ROUTE 1; OR

1 (II) IS VISIBLE FROM ROUTE 1 AND ADJOINS A PARCEL THAT FRONTS  
2 ROUTE 1.

3 (3) *ELIGIBLE WORK:*

4 (I) MEANS WORK DONE:

5 A. ON AN ELIGIBLE PROPERTY; AND

6 B. IN COMPLIANCE WITH THE ROUTE 1 DESIGN MANUAL;

7 (II) INCLUDES:

8 A. THE RENOVATION, UPGRADE OR REHABILITATION OF A  
9 PROPERTY, WHICH SHALL INCLUDE THE REPAIR,

10 REPLACEMENT, EXPANSION, OR ENHANCEMENT OF THE  
11 PROPERTY; AND

12 B. WORK THAT IS NECESSARY TO MAINTAIN THE PHYSICAL  
13 INTEGRITY OF THE PROPERTY WITH REGARD TO SAFETY,  
14 DURABILITY, OR WEATHERPROOFING.

15 (III) DOES NOT INCLUDE:

16 A. INTERIOR FINISH WORK THAT IS NOT NECESSARY TO  
17 MAINTAIN THE STRUCTURAL INTEGRITY OF THE BUILDING;

18 OR

19 B. ROUTINE LANDSCAPE OR PROPERTY MAINTENANCE.

20 (4) *VERIFIED EXPENSES* MEANS THE AMOUNT OF MONEY PAID:

21 (I) BY THE OWNER OF AN ELIGIBLE PROPERTY TO A LICENSED  
22 CONTRACTOR, ARCHITECT, OR CONSULTANT FOR:

23 A. ELIGIBLE WORK; OR

24 B. MATERIALS USED TO DO ELIGIBLE WORK;

25 (II) VERIFIED EXPENSES SHALL BE INCURRED WITHIN 12 MONTHS PRIOR  
26 TO THE APPLICATION FOR A TAX CREDIT UNDER THIS SECTION.

27 (C) *ELIGIBILITY.* THE OWNER OF COMMERCIAL OR INDUSTRIAL PROPERTY MAY QUALIFY  
28 FOR A TAX CREDIT UNDER THIS SECTION FOR ELIGIBLE WORK DONE ON ELIGIBLE PROPERTY.

29 (D) *APPROVAL BY AGENCIES.* A REQUEST FOR A TAX CREDIT UNDER THIS SECTION MUST BE  
30 APPROVED BY THE COUNTY EXECUTIVE, UPON THE ADVICE OF THE ECONOMIC

1 DEVELOPMENT AUTHORITY, THE DEPARTMENT OF PLANNING AND ZONING, AND THE  
2 DEPARTMENT OF FINANCE.

3 (E) *AMOUNT OF CREDIT.* THE TAX CREDIT SHALL BE GRANTED IN AN AMOUNT OF 150% OF  
4 THE VERIFIED EXPENSES.

5 (F) *PROCEDURES:*

6 (1) THE ECONOMIC DEVELOPMENT AUTHORITY, DEPARTMENT OF PLANNING  
7 AND ZONING, AND DEPARTMENT OF FINANCE SHALL DEVELOP AN  
8 APPLICATION FORM.

9 (2) THE COUNTY, THROUGH THE ECONOMIC DEVELOPMENT AUTHORITY,  
10 DEPARTMENT OF PLANNING AND ZONING, AND DEPARTMENT OF FINANCE  
11 SHALL GIVE INITIAL APPROVAL OF A CERTIFICATE OF ELIGIBILITY:

12 (i) IF IT DETERMINES THE PROPERTY TO BE AN ELIGIBLE PROPERTY; AND

13 (ii) IF IT DETERMINES THAT THE PROPOSED WORK IS ELIGIBLE WORK;

14 (3) THE OWNER OF AN ELIGIBLE PROPERTY SHALL APPLY TO THE DEPARTMENT  
15 OF FINANCE FOR A CREDIT BASED ON VERIFIED EXPENSES.

16 (4) UPON COMPLETION OF THE WORK:

17 (i) THE OWNER SHALL SUBMIT DOCUMENTATION TO THE DEPARTMENT  
18 OF FINANCE:

19 A. NO LATER THAN APRIL 1 PRIOR TO THE FIRST TAX YEAR FOR  
20 WHICH THE CREDIT IS BEING REQUESTED;

21 B. THAT SHOWS THE WORK WAS DONE IN ACCORDANCE WITH  
22 THE INITIAL APPROVAL OF THE CERTIFICATE OF ELIGIBILITY;  
23 AND

24 C. THAT SHALL INCLUDE ALL VERIFIED EXPENSES;

25 (ii) THE COUNTY, THROUGH THE ECONOMIC DEVELOPMENT  
26 AUTHORITY, DEPARTMENT OF PLANNING AND ZONING, AND  
27 DEPARTMENT OF FINANCE, SHALL:

28 A. REVIEW THE APPLICATION, THE INITIAL APPROVAL, AND THE  
29 DOCUMENTATION; AND

30 B. GIVE FINAL APPROVAL OF THE CERTIFICATE OF ELIGIBILITY  
31 BASED ON A CONSIDERATION OF CONSISTENCY WITH:

1 I. THE ROUTE 1 MANUAL; AND  
2 II. ANY SUBAREA PLANS;  
3 C. DETERMINE:  
4 I. WHAT WORK IS ELIGIBLE WORK; AND  
5 II. THE DOLLAR AMOUNT OF QUALIFIED EXPENSES FOR  
6 THE WORK; AND  
7 (III) THE OWNER SHALL ENTER INTO AN AGREEMENT IN ACCORDANCE  
8 WITH SUBSECTION (J) OF THIS SECTION.  
9 (5) THE DOLLAR AMOUNT OF QUALIFIED EXPENSES AND THE AMOUNT OF THE  
10 TAX CREDIT SHALL BE ENTERED ON THE CERTIFICATE OF ELIGIBILITY.  
11 (G) *YEAR GRANTED.* THE DEPARTMENT OF FINANCE SHALL GRANT THE TAX CREDIT FOR  
12 THE TAX YEAR IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE CERTIFICATE OF  
13 ELIGIBILITY RECEIVES FINAL APPROVAL.  
14 (H) *EXCEEDING THE AMOUNT OF TAX.* A PROPERTY OWNER MAY RECEIVE A TAX CREDIT IN  
15 MORE THAN ONE FISCAL YEAR:  
16 (1) IF THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EXCEEDS THE  
17 AMOUNT OF THE HOWARD COUNTY REAL PROPERTY TAX, ANY UNUSED  
18 PORTION OF THE TAX CREDIT SHALL BE CARRIED FORWARD FOR UP TO 4 TAX  
19 YEARS; OR  
20 (2) IF REQUIRED BY THE AMOUNT OF THE CREDIT OR LIMITATIONS SET FORTH IN  
21 THE ANNUAL BUDGET AND APPROPRIATION ORDINANCE, A PROPERTY  
22 OWNER MAY RECEIVE PARTS OF THE CREDIT IN MORE THAN ONE FISCAL  
23 YEAR.  
24 (I) *CERTIFICATE RUNS WITH PROPERTY.* A CERTIFICATE OF ELIGIBILITY RUNS WITH THE  
25 PROPERTY AND A CHANGE IN OWNERSHIP DOES NOT RESULT IN THE LAPSE OF A TAX CREDIT  
26 GRANTED UNDER THIS SECTION.  
27 (J) *AGREEMENT TO IMPLEMENT CREDIT.* THE RECIPIENT OF A TAX CREDIT UNDER THIS  
28 SECTION SHALL ENTER INTO A CONTRACT WITH THE COUNTY THAT MAY INCLUDE, WITHOUT  
29 LIMITATION, CONDITIONS REGARDING MAINTENANCE OF THE PROPERTY.  
30 (K) *ANNUAL REPORT:*

1 (1) THE ECONOMIC DEVELOPMENT AUTHORITY, DEPARTMENT OF PLANNING  
2 AND ZONING, AND DEPARTMENT OF FINANCE SHALL REPORT ANNUALLY TO  
3 THE COUNTY EXECUTIVE AND THE COUNTY COUNCIL CONCERNING THE  
4 IMPLEMENTATION OF THE TAX CREDIT UNDER THIS SECTION.

5 (2) THE REPORT UNDER THIS SUBSECTION SHALL:

6 (I) BE SUBMITTED NO LATER THAN SEPTEMBER FIRST OF EACH YEAR;

7 (II) INCLUDE, FOR EACH RECIPIENT OF A CREDIT UNDER THIS SECTION  
8 DURING THE PREVIOUS FISCAL YEAR:

9 A. THE NAME OF THE RECIPIENT; AND

10 B. THE AMOUNT OF THE CREDIT GRANTED; AND

11 (III) INCLUDE AN EVALUATION OF THE PROGRAM AND ANY  
12 RECOMMENDED CHANGES.

13 (L) *ANNUAL LIMIT.*

14 (1) DURING A FISCAL YEAR, THE TOTAL OF ALL TAX CREDITS BUDGETED FOR  
15 UNDER THIS SECTION SHALL NOT EXCEED \$500,000.00.

16 (2) A COMPLETE APPLICATION THAT, IF GRANTED, WOULD CAUSE THE LIMIT SET  
17 FORTH IN PARAGRAPH (1) OF THIS SUBSECTION TO BE EXCEEDED, SHALL BE  
18 GRANTED IN THE NEXT FISCAL YEAR OR YEARS AND IN THE ORDER  
19 RECEIVED.

20

21 ***Section 2. And Be It Further Enacted by the County Council of Howard County,***  
22 ***Maryland, that, for Fiscal Year 2015, the property owner shall submit documentation to***  
23 ***the Department of Finance no later than September 1, 2014.***

24

25 ***Section 3. And Be It Further Enacted by the County Council of Howard County,***  
26 ***Maryland, that the tax credits authorized by this Act may be granted in taxable years***  
27 ***beginning after June 30, 2014.***

28

29 ***Section 4. And Be It Further Enacted by the County Council of Howard County,***  
30 ***Maryland, that this Act shall become effective 61 days after its enactment.***