

**Office of the County Auditor**  
**Auditor's Analysis**

**Council Bill No. 8-2023**

Introduced: March 6, 2023

Auditor: Lori Buchman

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Fiscal Impact:

The fiscal impact of the proposed legislation cannot be determined. However, we have estimated that the fiscal impact of this legislation will be approximately \$4.4 million from new applicants as a result of extending the effective date of this tax credit. It will be dependent on the number of applications that are received and approved for the High-Performance Residential Building Tax Credit (HPBTC), as stipulated in Section 20.129B(d) of the County Code.

For a breakdown of this estimate by year see the schedule in **Attachment A**.

Purpose:

The proposed legislation seeks to extend the effective dates for the HPBTC for residential buildings. The current code contains a sunset provision for residential buildings only. The legislation would change the following dates for residential buildings:

- The final effective date would change from June 30, 2023, to June 30, 2026
- The date the owner applies for the credit would change from before April 1, 2022, to before April 1, 2025
- The date of the last credit issued would change from June 30, 2026, to June 30, 2029

Note: The HPBTC granted for commercial buildings does not have a sunset date, and therefore will not be affected by this legislation.

Other Comments:

Property owners that do not meet the criteria for the HPBTC may receive a Green Building Tax Credit under Section 20.119 of the County Code. According to the Department of Finance, there are currently no properties receiving the Green Building Tax Credit.

**Attachment A**  
**Schedule of Estimated Tax Credits by Year**

<b>High Performance Building Tax Credit Estimates</b>	
<b>Tax Year 2023</b>	\$ 416,343
<b>Tax Year 2024</b>	738,402
<b>Tax Year 2025</b>	967,076
<b>Tax Year 2026</b>	1,097,880
<b>Tax Year 2027</b>	677,221
<b>Tax Year 2028</b>	343,811
<b>Tax Year 2029</b>	116,380
<b>Total</b>	<b>\$ 4,357,114</b>

**NOTE:** The above estimates are based on five years of prior HPBTC data provided by Finance. A three percent annual increase in property taxes was assumed.