

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council of Howard County, Maryland

2025 Legislative Session

Legislative Day No. 9

Bill No. 46 -2025

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

Short Title: Reestablishing – Route 1 Tax Credit

Title: AN ACT reestablishing a tax credit against the County tax imposed on certain commercial or industrial 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; establishing a sunset provision; and generally relating to property tax credits.

Introduced and read first time _____, 2025. Ordered posted and hearing scheduled.

By order _____
Michelle Harrod, 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 _____, 2025.

By order _____
Michelle Harrod, Administrator

This Bill was read the third time on _____, 2025 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Michelle Harrod, Administrator

Sealed with the County Seal and presented to the County Executive for approval this ___ day of _____, 2025 at ___ a.m./p.m.

By order _____
Michelle Harrod, Administrator

Approved/Vetoed by the County Executive _____, 2025

Calvin Ball, 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**, Council Bill No. 9-2014 (“CB 9-2014”) first established a tax credit
2 against County property tax imposed on certain commercial or industrial real property,
3 located adjacent to Route 1 and contained on the “20.129D Map” that is on file with the
4 Department of Finance; and

5
6 **WHEREAS**, the tax credit authorized by CB 9-2014 was valid for a period of 48
7 months; and

8
9 **WHEREAS**, the tax credit was extended by the passage of Council Bill No. 33-
10 2017 and Council Bill No. 52-2020, collectively through June of 2026; and

11
12 **WHEREAS**, because the credit is set to again expire, the County wishes to extend
13 the tax credit with the following modifications:

- 14 1. Remove the requirement that the property be less than 15 acres;
- 15 2. Generally, remove the cap for most types of eligible work but apply a cap
16 of \$100,000 to new landscaping;
- 17 3. Provide that eligible properties can have certain residential components;
- 18 4. Clarify that eligible properties that are eligible because they are on the
19 20.129D map might not be visible from Route 1 but should be visible from
20 some other public road; and
- 21 5. Extend the credit for another 5 years and sunset the credit as of the end of
22 FY2031.

23
24 **NOW, THEREFORE,**

25
26 *Section 1. Be It Enacted by the County Council of Howard County, Maryland, that the*
27 *Howard County Code is amended as follows:*

28 *By amending:*

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

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

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

- 1 (i) Means work done:
- 2 a. On an eligible property;
- 3 b. In compliance with the Route 1 Design Manual; and
- 4 c. THAT IS [[Is]] readily visible from the nearest road edge of
- 5 Route 1 OR READILY VISIBLE FROM A PUBLIC ROAD IF
- 6 LOCATED ON AN ELIGIBLE PROPERTY ON THE 20.129D MAP.
- 7 (ii) Includes:
- 8 a. The renovation, upgrade or rehabilitation of a property,
- 9 which shall include the repair, replacement, expansion, or
- 10 enhancement of the property; [[and]]
- 11 b. Work that is necessary to maintain the physical integrity of
- 12 the property with regard to safety, durability, or
- 13 weatherproofing[[]]AND
- 14 c. IF THE ELIGIBLE PROPERTY INCLUDES A RESIDENTIAL
- 15 COMPONENT, WORK SHALL SUPPORT THE ENHANCEMENT OF
- 16 THE BUSINESS OR COMMERCIAL/INDUSTRIAL USE OR
- 17 STRUCTURE.
- 18 (iii) Does not include:
- 19 a. Interior finish work that is not necessary to maintain the
- 20 structural integrity of the building; or
- 21 b. Routine landscape or property maintenance.
- 22 (4) *Verified expenses* means the amount of money paid:
- 23 (i) By the owner of an eligible property to a licensed contractor,
- 24 architect, or consultant for:
- 25 a. Eligible work; or
- 26 b. Materials used to do eligible work.
- 27 (ii) Verified expenses shall be incurred within 12 months prior to the
- 28 application for a tax credit under this Section.
- 29 (iii) Verified expenses may not exceed 10% for architectural and
- 30 engineering fees for the design of the improvements.

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

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

6 (e) *Amount of Credit.* SUBJECT TO SUBSECTION (L) OF THIS SECTION, the tax credit shall
7 be granted in an amount of 125% of the verified expenses EXCEPT THAT THE TAX CREDIT
8 FOR NEW LANDSCAPING SHALL NOT TO EXCEED \$100,000 PER APPLICATION [[but for no
9 more than \$100,000]].

10 (f) *Procedures:*

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

13 (2) The County, through the Economic Development Authority, Department
14 of Planning and Zoning, and Department of Finance shall give initial
15 approval of a Certificate of Eligibility:

16 (i) If it determines the property to be an eligible property; and

17 (ii) If it determines that the proposed work is eligible work;

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

20 (4) Upon completion of the work:

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

23 a. No later than April 1 prior to the first tax year for which the
24 credit is being requested;

25 b. That shows the work was done in accordance with the
26 initial approval of the Certificate of Eligibility; and

27 c. That shall include all verified expenses;

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

- 1 a. Review the application, the initial approval, and the
2 documentation; and
- 3 b. Give final approval of the certificate of eligibility based on
4 a consideration of consistency with:
- 5 i. The Route 1 Manual; and
6 ii. Any subarea plans;
- 7 c. Determine:
- 8 i. What work is eligible work; and
9 ii. The dollar amount of qualified expenses for the
10 work; and
- 11 (iii) The owner shall enter into an agreement in accordance with
12 Subsection (j) of this Section.
- 13 (5) The dollar amount of qualified expenses and the amount of the tax credit
14 shall be entered on the certificate of eligibility.
- 15 (g) *Year granted.* The Department of Finance shall grant the tax credit for the tax year
16 immediately following the year in which the certificate of eligibility receives final
17 approval.
- 18 (h) *Exceeding the amount of tax.* A tax credit granted under this Section shall be paid in
19 more than one fiscal year if:
- 20 (1) The amount of the tax credit under this section exceeds the amount of the
21 Howard County Real Property Tax, then, in this instance, any unused
22 portion of the tax credit shall be carried forward for up to 5 tax years if:
- 23 (i) The property meets the eligibility requirement of this Section; and
24 (ii) The property owner applied for the credit on or before April
25 1,[[2025]]2030; or
- 26 (2) Required by the amount of the credit or limitations set forth in the annual
27 Budget and Appropriation Ordinance.
- 28 (i) *Certificate Runs with Property.* A certificate of eligibility runs with the property and a
29 change in ownership does not result in the lapse of a tax credit granted under this section.

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
6 Zoning, and Department of Finance shall report annually to the County
7 Executive and the County Council concerning the implementation of the
8 tax credit under this section.

9 (2) The report under this subsection shall:

10 (i) Be submitted no later than September first of each year;

11 (ii) Include, for each recipient of a credit under this section during the
12 previous fiscal year:

13 a. The name of the recipient; and

14 b. The amount of the credit granted;

15 (iii) Include an evaluation of the program and any recommended
16 changes; and

17 (iv) Be presented in a public meeting with the Council.

18 (l) *Annual Limit.*

19 (1) During a fiscal year, the total of all tax credits budgeted for under this
20 section shall not exceed \$250,000.00.

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

24
25 ***Section 2. And Be It Further Enacted*** by the County Council of Howard County,
26 Maryland that any tax credit granted prior to the effective date of this Act shall be subject
27 to Section 20.129D as enacted by Council Bill No. 52-2020.

28
29 ***Section 3. And Be It Further Enacted*** by the County Council of Howard County,
30 Maryland, that tax credits authorized by this Act shall remain effective through the end of

1 *Fiscal Year 2031, with no further action required by the County Council, this Act shall be*
2 *abrogated and of no further force and effect.*

3

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