

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

## County Council Of Howard County, Maryland

2016 Legislative Session

Legislative Day No. 1

**Bill No. 5 -2016**

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

AN ACT extending the life of the tax credit for high performance buildings until June 30, 2018; providing that applications for the credit received by a certain date will be eligible to receive the credit the full four years of the credit; allowing for credits to be issued until a certain date; and generally related to tax credits for high performance buildings.

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Introduced and read first time \_\_\_\_\_, 2016. Ordered posted and hearing scheduled.

By order \_\_\_\_\_  
Jessica Feldmark, 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 \_\_\_\_\_, 2016.

By order \_\_\_\_\_  
Jessica Feldmark, Administrator

This Bill was read the third time on \_\_\_\_\_, 2016 and Passed \_\_\_\_, Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

By order \_\_\_\_\_  
Jessica Feldmark, Administrator

Sealed with the County Seal and presented to the County Executive for approval this \_\_\_ day of \_\_\_\_\_, 2016 at \_\_\_ a.m./p.m.

By order \_\_\_\_\_  
Jessica Feldmark, Administrator

Approved/Vetoed by the County Executive \_\_\_\_\_, 2016

\_\_\_\_\_  
Allan H. Kittleman, 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  
4 By amending Title 20 “Taxes, Charges, and Fees”  
5 Section 20.129B “Property tax credits for high performance buildings”.

6  
7 **Title 20. Taxes, Charges, and Fees.**

8 **Subtitle 1. Real Property Tax; Administration, Credits, And Enforcement.**

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

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

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

- 13 (1) High performance building means a building that:
- 14 (i) Achieves at least a silver rating according to the U.S.  
15 Green Building Council's LEED (Leadership in Energy and  
16 Environmental Design) rating system;
  - 17 (ii) Achieves at least a silver certification level of the National  
18 Green Building Standard ICC-700 if the Director of the Department of  
19 Inspections, Licenses and Permits finds that the standard is equivalent to at  
20 least a silver rating according to the U.S. Green Building Council's LEED  
21 (Leadership in Energy and Environmental Design) rating system;
  - 22 (iii) Achieves at least a comparable rating according to design standards that  
23 the Director of the Department of Inspections, Licenses and Permits may  
24 adopt by regulation as equivalent to a silver rating in the LEED rating  
25 system; or
  - 26 (iv) Meets comparable green building guidelines or standards approved by the  
27 State.
- 28 (2) LEED rating system shall have the meaning set forth in section 3.1002 of this  
29 Code.
- 30 (3) R-2 or R-3 building has the meaning ascribed to that term under the Howard  
31 County Building Code.

1 (b) *Credit Established.* In accordance with section 9-242 of the tax-property article of the  
2 Annotated Code of Maryland, the owner of a high performance building or an R-2 or R-3  
3 building that qualifies under subsection (d) of this section may receive a property tax credit  
4 against County property taxes imposed on the high performance building.

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

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

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

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

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 System  
18 or a comparable rating system that the Director of Inspections, Licenses  
19 and Permits may adopt by regulation; and
- 20 (ii) Is a high performance building.

21 (2) The tax credit under this subsection for a building that has a LEED platinum or  
22 equivalent rating is a percentage of the total County property tax credit assessed  
23 on the building as follows:

- 24 (i) First year: 100 percent;
- 25 (ii) Second year: 75 percent;
- 26 (iii) Third year: 50 percent; and
- 27 (iv) Fourth year: 25 percent.

28 (3) The tax credit under this subsection for a building that has a LEED gold or  
29 equivalent rating is a percentage of the total County property tax credit assessed  
30 on the building as follows:

- 31 (i) First year: 90 percent;

- 1 (ii) Second year: 68 percent;
- 2 (iii) Third year: 45 percent; and
- 3 (iv) Fourth year: 23 percent.
- 4 (4) The tax credit under this subsection for a building that has a LEED silver or
- 5 equivalent rating is a percentage of the total County property tax credit assessed
- 6 on the building as follows:
- 7 (i) First year: 75 percent;
- 8 (ii) Second year: 56 percent;
- 9 (iii) Third year: 38 percent; and
- 10 (iv) Fourth year: 19 percent.
- 11 (5) (i) In one fiscal year, the tax credit under this subsection may not exceed
- 12 \$5,000.00 per building; provided, however, that each owner occupied unit
- 13 is allowed a credit not to exceed \$5,000.00.
- 14 (ii) Excess credits shall not be carried over to future years.
- 15 (e) *Amount and Duration of Credit for Certification in Existing Building Rating System.* For
- 16 a high performance building that is certified in the LEED 2009 rating system for existing
- 17 buildings or a comparable rating system that the Director of Inspections, Licenses and Permits
- 18 may adopt by regulation:
- 19 (1) The amount of the tax credit is a percentage of the total County property tax
- 20 assessed on the high performance building as follows:
- 21 (i) LEED certified silver—Ten percent;
- 22 (ii) LEED certified gold—25 percent;
- 23 (iii) LEED certified platinum—50 percent; and
- 24 (2) The tax credit authorized by this subsection continues for three years.
- 25 (f) *Prohibition.* A property owner who is granted a credit under one subsection of this section
- 26 may not be granted a credit under any other subsection of this section for the same property
- 27 during the same fiscal year.
- 28 (g) *Credit Runs with the Property.* A tax credit granted under this section runs with the property
- 29 and a change in ownership does not result in the lapse of the tax credit.
- 30 (h) *Application.* To receive the tax credit, a property owner shall submit an application to the
- 31 Department of Finance:

- 1           (1)     On the form that the Department of Finance requires;
- 2           (2)     That is accompanied by proof that the property meets the definition of a
- 3                     "high performance building"; and
- 4           (3)     On or before the date that the Department of Finance sets.
- 5   (i) *Report.* On or before October 31 of each year, the Director of Finance shall submit a report to
- 6   the County Council and the County Executive on tax credits granted under this section in the
- 7   prior fiscal year that includes:
  - 8           (1)     A list of all credits granted and the monetary amount of each credit granted under
  - 9                     this section;
  - 10          (2)     The levels of certification obtained by recipients of the credit; and
  - 11          (3)     An estimated total fiscal impact for the current fiscal year and for nine ensuing
  - 12                     fiscal years.
- 13   (j) *Administration.* The Department of Finance may adopt guidelines, regulations, or procedures
- 14   to administer this section.
- 15   (k) *Effective Date.* The tax credit authorized by subsection (d) of this section applies to tax years
- 16   beginning after June 30, 2012, and [[shall terminate and be of no effect after June 30, 2017.]]
- 17   SHALL TERMINATE AND BE OF NO EFFECT AFTER JUNE 30, 2018, PROVIDED THAT:
  - 18          (1)     A PROPERTY OWNER SHALL RECEIVE THE FULL FOUR YEARS OF THE CREDIT IF:
    - 19                (I)     THE PROPERTY MEETS THE ELIGIBILITY REQUIREMENTS OF THIS SECTION;
    - 20                        AND
    - 21                (II)    THE PROPERTY OWNER APPLIES FOR THE CREDIT ON OR BEFORE APRIL 1,
    - 22                        2017; AND
  - 23          (2)     THE LAST CREDIT ISSUED SHALL BE ISSUED NO LATER THAN IN THE FISCAL YEAR
  - 24                     ENDING JUNE 30, 2021.

25

26   ***Section 2. And Be It Further Enacted*** by the County Council of Howard County, Maryland that

27   *this Act shall become effective 61 days after its enactment.*