

Introduced 1/4/16
Public Hearing 1/19/16
Council Action 2/1/16
Executive Action 2/11/16
Effective Date 4/1/16

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.

Introduced and read first time January 4, 2016. Ordered posted and hearing scheduled.

By order Jessica Feldmark
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 January 19, 2016.

By order Jessica Feldmark
Jessica Feldmark, Administrator

This Bill was read the third time on February 1, 2016 and Passed , Passed with amendments _____, Failed _____.

By order Jessica Feldmark
Jessica Feldmark, Administrator

Sealed with the County Seal and presented to the County Executive for approval this 4th day of February, 2016 at 2 a.m./p.m.

By order Jessica Feldmark
Jessica Feldmark, Administrator

Approved/Vetoed by the County Executive February 10, 2016

Allan H. Kittleman
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.**

10
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:

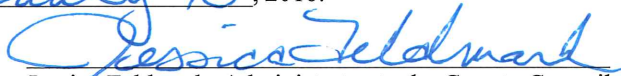
- 1 (1) On the form that the Department of Finance requires;
- 2 (2) That is accompanied by proof that the property meets the definition of a
- 3 "high performance building"; and
- 4 (3) On or before the date that the Department of Finance sets.
- 5 (i) *Report.* On or before October 31 of each year, 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.*

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on February 10, 2016.


Jessica Feldmark, 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 _____, 2016.

Jessica Feldmark, 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 _____, 2016.

Jessica Feldmark, 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 _____, 2016.

Jessica Feldmark, 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 _____, 2016.

Jessica Feldmark, 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 _____, 2016.

Jessica Feldmark, Administrator to the County Council