

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

## County Council Of Howard County, Maryland

2020 Legislative Session

Legislative Day No. **14**

### Bill No. 52 -2020

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

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.

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Introduced and read first time \_\_\_\_\_, 2020. Ordered posted and hearing scheduled.

By order \_\_\_\_\_  
Diane Schwartz Jones, 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 \_\_\_\_\_, 2020.

By order \_\_\_\_\_  
Diane Schwartz Jones, Administrator

This Bill was read the third time on \_\_\_\_\_, 2020 and Passed \_\_\_\_, Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

By order \_\_\_\_\_  
Diane Schwartz Jones, Administrator

Sealed with the County Seal and presented to the County Executive for approval this \_\_\_ day of \_\_\_\_\_, 2020 at \_\_\_ a.m./p.m.

By order \_\_\_\_\_  
Diane Schwartz Jones, Administrator

Approved by the County Executive \_\_\_\_\_, 2020

\_\_\_\_\_  
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”) established a tax credit  
2 against County property tax imposed on commercial or industrial real property, containing  
3 less than 10 acres, located adjacent to Route 1 that is renovated, upgraded, or rehabilitated,  
4 under certain conditions; 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**, Council Bill No. 33-2017 extended the tax credit through the tax year  
10 ending June 30, 2020 and made certain amendments to Howard County Code Section  
11 20.129D; and

12  
13           **WHEREAS**, because the credit has again expired, the County wishes to reinstate  
14 the tax credit with the following modifications:

- 15           1.     Limit the eligible expenses to up to 10% of architectural and engineering  
16                 fees for the design of the improvements;
- 17           2.     Instead of \$500,000, the annual limit for the total amount of credit that can  
18                 be granted shall not exceed \$250,000;
- 19           3.     Instead of up to 4 years, the unused portion of the credit can be carried  
20                 forward for up to 5 years; and
- 21           4.     Commercial or industrial property less than 15 acres is eligible, instead of  
22                 10 acres; and

23  
24           **WHEREAS**, the tax credit proposed by this Act will sunset after 5 years.

25  
26           **NOW, THEREFORE,**

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

30           *By repealing and reneacting:*

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



- 1 (III) IS A TAX PARCEL CONTAINED WITHIN THE PERIMETER ON THE  
2 "20.129D MAP" ON FILE WITH THE DEPARTMENT OF FINANCE.
- 3 (3) *ELIGIBLE WORK:*
- 4 (I) MEANS WORK DONE:
- 5 A. ON AN ELIGIBLE PROPERTY;
- 6 B. IN COMPLIANCE WITH THE ROUTE 1 DESIGN MANUAL; AND
- 7 C. IS READILY VISIBLE FROM THE NEAREST ROAD EDGE OF
- 8 ROUTE 1.
- 9 (II) INCLUDES:
- 10 A. THE RENOVATION, UPGRADE OR REHABILITATION OF A
- 11 PROPERTY, WHICH SHALL INCLUDE THE REPAIR,
- 12 REPLACEMENT, EXPANSION, OR ENHANCEMENT OF THE
- 13 PROPERTY; AND
- 14 B. WORK THAT IS NECESSARY TO MAINTAIN THE PHYSICAL
- 15 INTEGRITY OF THE PROPERTY WITH REGARD TO SAFETY,
- 16 DURABILITY, OR WEATHERPROOFING.
- 17 (III) DOES NOT INCLUDE:
- 18 A. INTERIOR FINISH WORK THAT IS NOT NECESSARY TO
- 19 MAINTAIN THE STRUCTURAL INTEGRITY OF THE BUILDING;
- 20 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
- 24 CONTRACTOR, 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
- 28 TO THE APPLICATION FOR A TAX CREDIT UNDER THIS SECTION.
- 29 (III) VERIFIED EXPENSES MAY NOT EXCEED 10% FOR ARCHITECTURAL
- 30 AND ENGINEERING FEES FOR THE DESIGN OF THE IMPROVEMENTS.

1 (C) *ELIGIBILITY.* THE OWNER OF COMMERCIAL OR INDUSTRIAL 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  
4 APPROVED BY THE COUNTY EXECUTIVE, UPON THE ADVICE OF THE ECONOMIC  
5 DEVELOPMENT AUTHORITY, THE DEPARTMENT OF PLANNING AND ZONING, AND THE  
6 DEPARTMENT OF FINANCE.

7 (E) *AMOUNT OF CREDIT.* THE TAX CREDIT SHALL BE GRANTED IN AN AMOUNT OF 125% OF  
8 THE VERIFIED EXPENSES BUT FOR NO MORE THAN \$100,000.

9 (F) *PROCEDURES:*

10 (1) THE ECONOMIC DEVELOPMENT AUTHORITY, DEPARTMENT OF PLANNING  
11 AND ZONING, AND DEPARTMENT OF FINANCE SHALL DEVELOP AN  
12 APPLICATION FORM.

13 (2) THE COUNTY, THROUGH THE ECONOMIC DEVELOPMENT AUTHORITY,  
14 DEPARTMENT OF PLANNING AND ZONING, AND DEPARTMENT OF FINANCE  
15 SHALL GIVE INITIAL 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  
19 OF 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  
22 OF FINANCE:

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

25 B. THAT SHOWS THE WORK WAS DONE IN ACCORDANCE WITH  
26 THE INITIAL APPROVAL OF THE CERTIFICATE OF ELIGIBILITY;  
27 AND

28 C. THAT SHALL INCLUDE ALL VERIFIED EXPENSES;

29 (II) THE COUNTY, THROUGH THE ECONOMIC DEVELOPMENT  
30 AUTHORITY, DEPARTMENT OF PLANNING AND ZONING, AND  
31 DEPARTMENT OF FINANCE, SHALL:



1 (I) *CERTIFICATE RUNS WITH PROPERTY.* A CERTIFICATE OF ELIGIBILITY RUNS WITH THE  
2 PROPERTY AND A CHANGE IN OWNERSHIP DOES NOT RESULT IN THE LAPSE OF A TAX CREDIT  
3 GRANTED UNDER THIS SECTION.

4 (J) *AGREEMENT TO IMPLEMENT CREDIT.* THE RECIPIENT OF A TAX CREDIT UNDER THIS  
5 SECTION SHALL ENTER INTO A CONTRACT WITH THE COUNTY THAT MAY INCLUDE, WITHOUT  
6 LIMITATION, CONDITIONS REGARDING MAINTENANCE OF THE PROPERTY.

7 (K) *ANNUAL REPORT:*

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

12 (2) THE REPORT UNDER THIS SUBSECTION SHALL:

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

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

16 A. THE NAME OF THE RECIPIENT; AND

17 B. THE AMOUNT OF THE CREDIT GRANTED;

18 (III) INCLUDE AN EVALUATION OF THE PROGRAM AND ANY  
19 RECOMMENDED CHANGES; AND

20 (IV) BE PRESENTED IN A PUBLIC MEETING WITH THE COUNCIL.

21 (L) *ANNUAL LIMIT.*

22 (1) DURING A FISCAL YEAR, THE TOTAL OF ALL TAX CREDITS BUDGETED FOR  
23 UNDER THIS SECTION SHALL NOT EXCEED \$250,000.00.

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

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29 ***Section 2.*** *And Be It Further Enacted by the County Council of Howard County,*  
30 *Maryland, that the tax credits authorized by this Act may be granted in taxable years*  
31 *beginning after June 30, 2021.*

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*Section 3. And Be It Further Enacted by the County Council of Howard County, Maryland, that, for Fiscal Year 2022, the property owner shall submit documentation to the Department of Finance no later than April 1, 2021.*

*Section 4. And Be It Further Enacted by the County Council of Howard County, Maryland that the 20.129D Map of eligible tax parcels is attached to this Bill and incorporated herein by reference. The Department of Finance shall make the "20.129D Map " publicly available.*

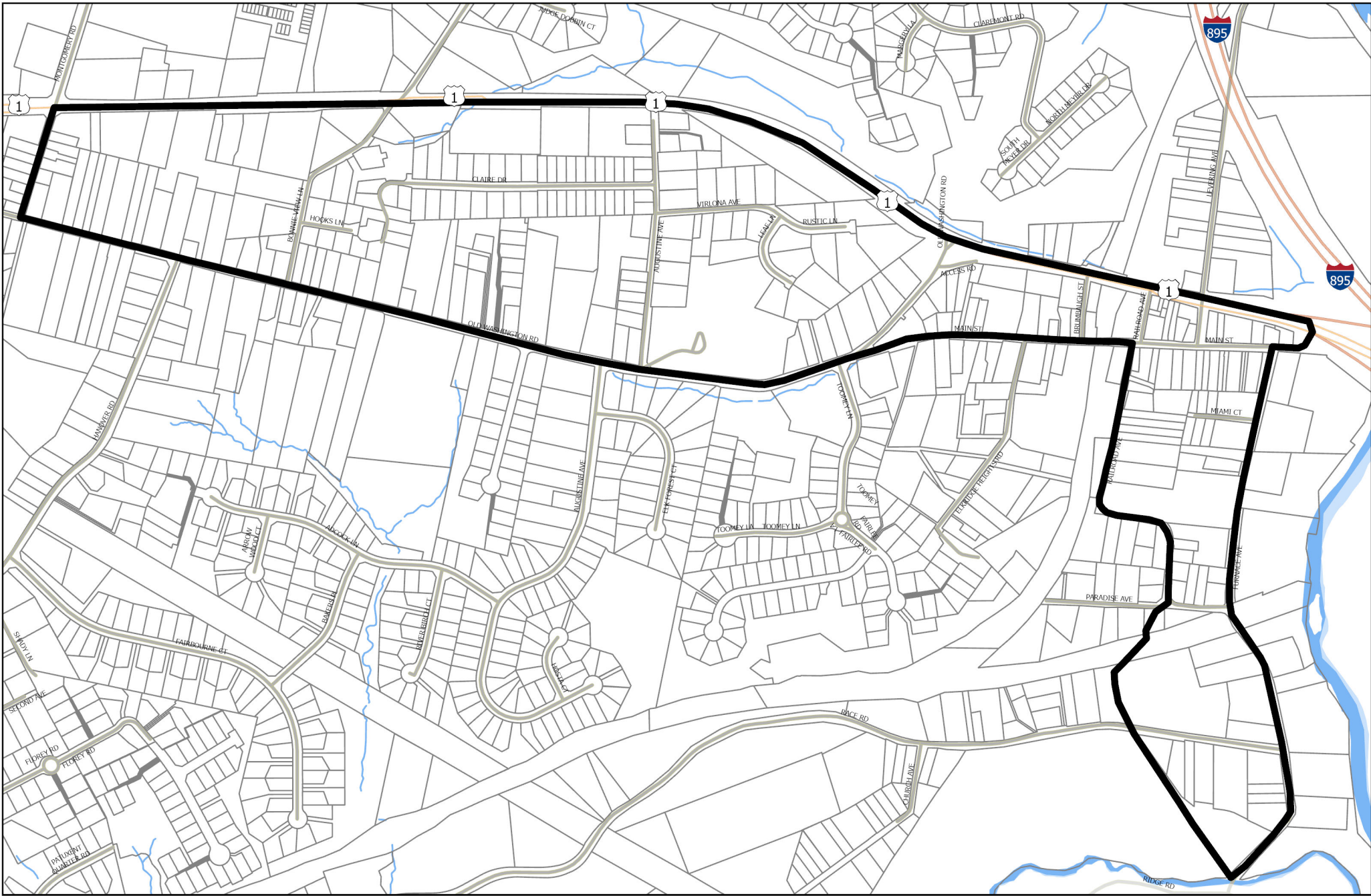
*Section 5. And Be It Further Enacted by the County Council of Howard County, Maryland, that the tax credit may only be granted for the expenses incurred after the effective date of this Act.*

*Section 6. And Be It Further Enacted by the County Council of Howard County, Maryland, that tax credits authorized by this Act shall remain effective for a period of 5 years and, at the end of 5 years, with no further action required by the County Council, this Act shall be abrogated and of no further force and effect.*

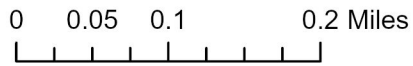
*Section 7. And Be It Further Enacted by the County Council of Howard County, Maryland, that this Act shall become effective 61 days after its enactment.*



# Route 1 Tax Credit Elkridge Addition, 20.129D Map



 Elkridge Tax Credit Properties



Date: October, 2020