

HOUSE BILL 876

Q1

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CF SB 736

By: **Delegate Anderson (By Request – Baltimore City Administration)**

Introduced and read first time: February 5, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Property Tax Credit for Historic or Heritage Properties –**
3 **Calculation**

4 FOR the purpose of authorizing the Mayor and City Council of Baltimore City to
5 implement, by law, a certain property tax credit that may not exceed a certain
6 amount under certain circumstances; authorizing the Mayor and City Council of
7 Baltimore City to adopt certain requirements and procedures to carry out the
8 tax credit; requiring a certain value to be determined by the State Department
9 of Assessments and Taxation; requiring a certain value to be determined by
10 certain professional appraisers; excluding Baltimore City from a certain
11 calculation for a certain property tax credit; and generally relating to a property
12 tax credit for historic and heritage properties in Baltimore City.

13 BY repealing and reenacting, with amendments,
14 Article – Tax – Property
15 Section 9–204.1
16 Annotated Code of Maryland
17 (2012 Replacement Volume and 2013 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Tax – Property**

21 9–204.1.

22 (a) In this section, “eligible improvements” means significant improvements
23 to, or restoration or rehabilitation of, historic or heritage properties.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) The General Assembly declares that it is in the general public interest to
2 foster and encourage historic preservation and heritage tourism activities through
3 improvement, restoration, and rehabilitation of, historic or heritage property so as to:

4 (1) preserve and protect the heritage of the State as represented by its
5 remaining historic buildings and structures;

6 (2) stimulate the positive aspects of historic or heritage preservation,
7 such as economic development and employment opportunities; and

8 (3) implement and effect local government planning activities aimed
9 at preserving historic structures, sites, districts, and heritage areas.

10 (c) It is the intent of the General Assembly that:

11 (1) the taxation of significant improvements to, and restoration or
12 rehabilitation of, historic or heritage properties be maintained, for a period of up to 10
13 years, at taxation levels not greater than those in place before the eligible
14 improvements if approved as part of a local government plan for historic or heritage
15 preservation;

16 (2) the methods and procedures to implement a program for the
17 purposes of this section be determined by the applicable local government; and

18 (3) State financial assistance to a local government not be conditioned
19 upon the local government implementing a program under this section.

20 (d) The [Mayor and City Council of Baltimore, the] governing body of each
21 county, **EXCEPT IN BALTIMORE CITY**, and the governing body of each municipal
22 corporation may:

23 (1) implement, by law, a program that provides for a property tax
24 credit not to exceed the difference between:

25 (i) the property tax that, but for the tax credit, would be
26 payable after the completion of eligible improvements; and

27 (ii) the property tax that would be payable if the eligible
28 improvements were not made; and

29 (2) adopt any requirements and procedures that are necessary or
30 appropriate to carry out the purposes of this section.

31 **(E) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY:**

1 **(I) IMPLEMENT, BY LAW, A PROGRAM THAT PROVIDES A**
2 **PROPERTY TAX CREDIT NOT TO EXCEED:**

3 **1. FOR PROPERTY TAX CREDITS INITIALLY GRANTED**
4 **PRIOR TO OCTOBER 1, 2014, AND FOR THE DURATION OF THE CREDIT, THE**
5 **DIFFERENCE BETWEEN:**

6 **A. THE REAL PROPERTY TAX ON THE MOST RECENT**
7 **FULL CASH VALUE OF THE PROPERTY BEFORE THE COMMENCEMENT OF**
8 **ELIGIBLE IMPROVEMENTS; AND**

9 **B. THE REAL PROPERTY TAX ON THE MOST RECENT**
10 **FULL CASH VALUE OF THE PROPERTY AFTER COMPLETION OF THE ELIGIBLE**
11 **IMPROVEMENTS; OR**

12 **2. FOR PROPERTY TAX CREDITS INITIALLY GRANTED**
13 **ON OR AFTER OCTOBER 1, 2014, AND FOR THE DURATION OF THE CREDIT, THE**
14 **DIFFERENCE BETWEEN:**

15 **A. THE REAL PROPERTY TAX ON THE FULL CASH**
16 **VALUE OF THE PROPERTY BEFORE THE COMMENCEMENT OF ELIGIBLE**
17 **IMPROVEMENTS; AND**

18 **B. THE REAL PROPERTY TAX ON THE FULL CASH**
19 **VALUE OF THE PROPERTY AFTER COMPLETION OF THE ELIGIBLE**
20 **IMPROVEMENTS; AND**

21 **(II) ADOPT ANY REQUIREMENTS AND PROCEDURES THAT**
22 **ARE NECESSARY OR APPROPRIATE TO CARRY OUT THE PURPOSES OF THIS**
23 **SECTION.**

24 **(2) FOR PURPOSES OF THE CALCULATION UNDER PARAGRAPH**
25 **(1)(I)1 OF THIS SUBSECTION, THE FULL CASH VALUE OF THE PROPERTY SHALL**
26 **BE THE FULL CASH VALUE PRIOR TO PHASE IN AS DETERMINED BY THE**
27 **DEPARTMENT THROUGH THE ASSESSMENT PROCEDURES ESTABLISHED UNDER**
28 **TITLE 8 OF THIS ARTICLE.**

29 **(3) FOR PURPOSES OF THE CALCULATION UNDER PARAGRAPH**
30 **(1)(I)2 OF THIS SUBSECTION, THE FULL CASH VALUE OF THE PROPERTY SHALL**
31 **BE DETERMINED BY AN APPRAISAL OF THE PROPERTY BEFORE**
32 **COMMENCEMENT AND AFTER COMPLETION OF ELIGIBLE IMPROVEMENTS BY A**
33 **PROFESSIONAL APPRAISER SELECTED BY THE MAYOR AND CITY COUNCIL OF**

1 **BALTIMORE CITY AND LICENSED UNDER TITLE 16, SUBTITLE 3 OF THE**
2 **BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.**

3 **[(e)] (F)** A property tax credit provided for under this section shall:

4 (1) be subject to eligibility requirements no less stringent than those
5 applicable to credits authorized under § 9–204 of this subtitle;

6 (2) be for a period that does not exceed 10 years for each property;

7 (3) apply to eligible improvements which are:

8 (i) located within the boundaries of:

9 1. a property listed individually on the National Register
10 of Historic Places, or a national register historic or landmark district;

11 2. a property or district designated as a historic property
12 or district under local law; or

13 3. a property included within the boundaries of a
14 certified heritage area under § 13–1111 of the Financial Institutions Article; and

15 (ii) for a property or district under paragraph (3)(i)1 or 2 of this
16 subsection, determined by the local historic district commission to be compatible with
17 local historic preservation standards.

18 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect
19 June 1, 2014.