

SENATE BILL 736

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CF 4lr2690

By: **Senator Jones–Rodwell (By Request – Baltimore City Administration)**

Introduced and read first time: January 31, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

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

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

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 9–204.1

Annotated Code of Maryland

(2012 Replacement Volume and 2013 Supplement)

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

Article – Tax – Property

9–204.1.

(a) In this section, “eligible improvements” means significant improvements 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.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) apply to eligible improvements which are:

(i) located within the boundaries of:

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

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

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

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

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