

HOUSE BILL 408

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Q2

1999 Regular Session
9r0321

By: **Montgomery County Delegation**

Introduced and read first time: February 8, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County - Property Tax - Vacant or Underutilized Commercial**
3 **Buildings**
4 **MC 912-99**

5 FOR the purpose of authorizing the governing body of Montgomery County to provide
6 for a property tax exemption or credit for certain vacant or underutilized
7 commercial buildings that are converted primarily to housing; authorizing the
8 governing body of Montgomery County to establish certain conditions for the
9 granting of any property tax credit or exemption; restricting the use of either an
10 exemption or a credit for each property; requiring the governing body of
11 Montgomery County to submit a copy of any legislation granting an exemption
12 or credit to the Maryland Department of Assessments and Taxation by a certain
13 date; and generally relating to a property tax credit or exemption for certain
14 vacant or underutilized commercial buildings in Montgomery County that are
15 converted primarily to housing.

16 BY adding to
17 Article - Tax - Property
18 Section 7-504.3
19 Annotated Code of Maryland
20 (1994 Replacement Volume and 1998 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article - Tax - Property
23 Section 9-317(c)
24 Annotated Code of Maryland
25 (1994 Replacement Volume and 1998 Supplement)

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

1 **Article - Tax - Property**

2 7-504.3.

3 (A) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY PROVIDE BY LAW
4 FOR AN EXEMPTION FROM COUNTY PROPERTY TAX, IN PART OR IN FULL, FOR A
5 VACANT OR UNDERUTILIZED COMMERCIAL BUILDING IF THE BUILDING:

6 (1) WAS BUILT PRIMARILY FOR OFFICE, INDUSTRIAL, OR OTHER
7 COMMERCIAL PURPOSES;

8 (2) WAS LAST USED FOR OFFICE, INDUSTRIAL, OR OTHER COMMERCIAL
9 PURPOSES; AND

10 (3) IS RENOVATED FOR USE PRIMARILY AS HOUSING.

11 (B) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY ESTABLISH
12 CONDITIONS FOR THE GRANTING OF A PROPERTY TAX EXEMPTION UNDER THIS
13 SECTION, INCLUDING:

14 (1) ELIGIBILITY CRITERIA;

15 (2) APPLICATION PROCEDURES; AND

16 (3) PROVISIONS FOR A PAYMENT IN LIEU OF TAXES TO MONTGOMERY
17 COUNTY BY THE RECIPIENT OF THE EXEMPTION.

18 (C) IF THE GOVERNING BODY OF MONTGOMERY COUNTY GRANTS A
19 PROPERTY TAX EXEMPTION UNDER THIS SECTION, IT MAY NOT ALSO GRANT A
20 PROPERTY TAX CREDIT UNDER § 9-317(C)(1)(IV) OF THIS ARTICLE FOR THE SAME
21 BUILDING.

22 9-317.

23 (c) (1) The governing body of Montgomery County may grant, by law, a
24 property tax credit under this section against the county property tax imposed on:

25 (i) real property on which an improvement is made to an existing
26 structure in a neighborhood improvement plan area that the governing body of
27 Montgomery County determines to be a special target area for residential, business,
28 and community redevelopment because of blight or deterioration;

29 (ii) real property that is:

30 1. owned by Bannockburn Cooperators, Incorporated;

31 2. leased by Bannockburn Community Club, Incorporated;

32 and

33 3. used only for community, civic, educational, and
34 recreational purposes and to promote social welfare; [or]

1 (iii) real property for which the county has determined there are
2 development impact tax credits that exceed the amount that can be used under
3 county law[.]; OR

4 (IV) REAL PROPERTY CONTAINING A VACANT OR UNDERUTILIZED
5 COMMERCIAL BUILDING THAT:

6 1. WAS BUILT PRIMARILY FOR OFFICE, INDUSTRIAL, OR
7 OTHER COMMERCIAL PURPOSES;

8 2. WAS LAST USED FOR OFFICE, INDUSTRIAL, OR OTHER
9 COMMERCIAL PURPOSES; AND

10 3. IS RENOVATED FOR USE PRIMARILY AS HOUSING.

11 (2) A property tax credit granted under paragraph (1)(i) of this
12 subsection shall be:

13 (i) a percentage of the actual cost of the improvements as the
14 governing body of Montgomery County determines for the 1st 4 taxable years that the
15 improved property is subject to county property tax; and

16 (ii) not allowed after the 1st 4 taxable years that the improved
17 property is subject to property tax.

18 (3) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY ESTABLISH
19 CONDITIONS FOR THE GRANTING OF A PROPERTY TAX CREDIT UNDER PARAGRAPH
20 (1)(IV) OF THIS SUBSECTION, INCLUDING:

21 (I) ELIGIBILITY CRITERIA;

22 (II) APPLICATION PROCEDURES; AND

23 (III) PROVISIONS FOR A PAYMENT IN LIEU OF TAXES TO
24 MONTGOMERY COUNTY BY THE RECIPIENT OF THE TAX CREDIT.

25 (4) IF THE GOVERNING BODY OF MONTGOMERY COUNTY GRANTS A
26 PROPERTY TAX CREDIT UNDER PARAGRAPH (1)(IV) OF THIS SUBSECTION, IT MAY NOT
27 ALSO GRANT A PROPERTY TAX EXEMPTION UNDER § 7-504.3 OF THIS ARTICLE FOR
28 THE SAME BUILDING.

29 SECTION 2. AND BE IT FURTHER ENACTED, That the governing body of
30 Montgomery County shall submit to the Maryland Department of Assessments and
31 Taxation a copy of any legislation enacted under the authority of this Act.

32 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 1999.