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By: **Senators Lawlah, Britt, Currie, Exum, Giannetti, Miller, and Pinsky**

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Assigned to: Rules

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 3, 2006

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Prince George's County --~~Certified Heritage Areas~~ - Property Tax Credits -**  
3 **Newly Constructed and Renovated Dwellings**

4 FOR the purpose of ~~designating certain areas of Prince George's County, known as the~~  
5 ~~National Capital Preservation District, as certified heritage areas recognized by~~  
6 ~~the Maryland Heritage Areas Authority;~~ authorizing the governing body of  
7 Prince George's County to grant, by law, a property tax credit against the county  
8 property tax imposed on certain dwellings in certain areas for a certain number  
9 of years; limiting the property tax credits to a certain amount; establishing  
10 certain eligibility criteria; authorizing the governing body of Prince George's  
11 County to establish certain eligibility requirements and certain requirements  
12 for granting a partial credit under this Act; requiring the Director of Finance of  
13 Prince George's County to report certain tax credit amounts as tax expenditures  
14 for certain fiscal years and to include the amount of certain tax credits in the  
15 budget for Prince George's County for certain fiscal years; defining certain  
16 terms; ~~stating certain findings of the General Assembly relating to the National~~  
17 ~~Capital Preservation District;~~ providing for the application of this Act; and  
18 generally relating to property tax credits in Prince George's County against the  
19 county property tax imposed on certain dwellings in certain areas.

20 ~~BY adding to~~  
21 ~~Article Financial Institutions~~  
22 ~~Section 13-1111(f)~~  
23 ~~Annotated Code of Maryland~~  
24 ~~(2003 Replacement Volume and 2005 Supplement)~~

25 BY adding to

1 Article - Tax - Property  
 2 Section 9-318(e)  
 3 Annotated Code of Maryland  
 4 (2001 Replacement Volume and 2005 Supplement)

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

7 **Article - Financial Institutions**

8 ~~43-1111.~~

9 ~~(R) (1) IN THIS SUBSECTION, "NATIONAL CAPITAL PRESERVATION~~  
 10 ~~DISTRICT" MEANS THE AREA LOCATED IN PRINCE GEORGE'S COUNTY WITHIN~~  
 11 ~~ONE QUARTER MILE OF THE BORDER SHARED BETWEEN PRINCE GEORGE'S COUNTY~~  
 12 ~~AND THE DISTRICT OF COLUMBIA.~~

13 ~~(2) THE GENERAL ASSEMBLY MAKES THE FOLLOWING FINDINGS:~~

14 ~~(I) THE NATIONAL CAPITAL PRESERVATION DISTRICT WAS A VITAL~~  
 15 ~~AREA FOR FEDERAL GOVERNMENT EMPLOYEES AND MEMBERS OF THE UNITED~~  
 16 ~~STATES ARMED FORCES TO ESTABLISH HOMES DURING THE NEW DEAL AND WORLD~~  
 17 ~~WAR II ERAS;~~

18 ~~(II) THE NATIONAL CAPITAL PRESERVATION DISTRICT IS HOME TO~~  
 19 ~~THE FEDERALLY OWNED AND OPERATED SUITLAND PARKWAY, WHICH:~~

20 ~~1. WAS LISTED IN THE NATIONAL REGISTER OF HISTORIC~~  
 21 ~~PLACES IN 1995; AND~~

22 ~~2. CONNECTS BOLLING AIR FORCE BASE AND THE DISTRICT~~  
 23 ~~OF COLUMBIA WITH ANDREWS AIR FORCE BASE, THE HOME OF AIR FORCE ONE; AND~~

24 ~~(III) THE NATIONAL CAPITAL PRESERVATION DISTRICT:~~

25 ~~1. HAS HOSTED MANY DIPLOMATIC PROCESSIONS AND~~  
 26 ~~OFFICIAL ENTOURAGES; AND~~

27 ~~2. PROVIDES AN EFFICIENT LINE OF TRANSPORTATION TO~~  
 28 ~~THE DISTRICT OF COLUMBIA.~~

29 ~~(3) THE NATIONAL CAPITAL PRESERVATION DISTRICT IS DESIGNATED~~  
 30 ~~TO BE A CERTIFIED HERITAGE AREA UNDER THIS SUBTITLE.~~

31 **Article - Tax - Property**

32 9-318.

33 (E) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE  
 34 MEANINGS INDICATED.

1 (II) "NATIONAL CAPITAL PRESERVATION DISTRICT" ~~HAS THE~~  
2 ~~MEANING STATED IN § 13-1111(R) OF THE FINANCIAL INSTITUTIONS ARTICLE MEANS~~  
3 ~~THE AREA LOCATED IN PRINCE GEORGE'S COUNTY WITHIN ONE-QUARTER MILE OF~~  
4 ~~THE BORDER SHARED BETWEEN PRINCE GEORGE'S COUNTY AND THE DISTRICT OF~~  
5 ~~COLUMBIA.~~

6 (III) 1. "NEWLY CONSTRUCTED DWELLING" MEANS RESIDENTIAL  
7 REAL PROPERTY THAT HAS NOT BEEN PREVIOUSLY OCCUPIED SINCE ITS  
8 CONSTRUCTION AND FOR WHICH THE BUILDING PERMIT FOR CONSTRUCTION WAS  
9 ISSUED ON OR AFTER JULY 1, 2006.

10 2. "NEWLY CONSTRUCTED DWELLING" INCLUDES A VACANT  
11 DWELLING THAT HAS BEEN REHABILITATED IN COMPLIANCE WITH APPLICABLE  
12 LOCAL LAWS AND REGULATIONS AND HAS NOT BEEN PREVIOUSLY OCCUPIED SINCE  
13 THE REHABILITATION.

14 (IV) "VACANT DWELLING" MEANS RESIDENTIAL REAL PROPERTY  
15 THAT:

16 1. CONTAINS NO MORE THAN FOUR DWELLING UNITS;

17 2. A. HAS BEEN CITED AS VACANT OR ABANDONED ON A  
18 HOUSING OR BUILDING VIOLATION NOTICE FOR 1 YEAR; OR

19 B. HAS BEEN OWNED BY PRINCE GEORGE'S COUNTY FOR 1  
20 YEAR AND IS IN NEED OF SUBSTANTIAL REPAIR TO COMPLY WITH APPLICABLE  
21 COUNTY CODES.

22 (2) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, THE  
23 GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY GRANT, BY LAW, A PROPERTY  
24 TAX CREDIT UNDER THIS SUBSECTION AGAINST THE COUNTY PROPERTY TAX  
25 IMPOSED IN THE NATIONAL CAPITAL PRESERVATION DISTRICT ON NEWLY  
26 CONSTRUCTED DWELLINGS AND RENOVATED DWELLINGS.

27 (3) (I) A PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION  
28 FOR A NEWLY CONSTRUCTED DWELLING MAY NOT EXCEED THE AMOUNT OF  
29 COUNTY PROPERTY TAX IMPOSED ON THE DWELLING, LESS THE AMOUNT OF ANY  
30 OTHER CREDIT APPLICABLE IN THAT YEAR, MULTIPLIED BY:

31 1. 50% FOR THE FIRST TAXABLE YEAR IN WHICH THE  
32 PROPERTY QUALIFIES FOR THE TAX CREDIT;

33 2. 40% FOR THE SECOND TAXABLE YEAR IN WHICH THE  
34 PROPERTY QUALIFIES FOR THE TAX CREDIT;

35 3. 30% FOR THE THIRD TAXABLE YEAR IN WHICH THE  
36 PROPERTY QUALIFIES FOR THE TAX CREDIT;

37 4. 20% FOR THE FOURTH TAXABLE YEAR IN WHICH THE  
38 PROPERTY QUALIFIES FOR THE TAX CREDIT;

1                                   5.       10% FOR THE FIFTH TAXABLE YEAR IN WHICH THE  
2 PROPERTY QUALIFIES FOR THE TAX CREDIT; AND

3                                   6.       0% FOR EACH TAXABLE YEAR THEREAFTER.

4                   (4)       A PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION FOR  
5 RENOVATIONS TO A DWELLING MAY NOT EXCEED THE LESSER OF:

6                   (I)       50% OF THE COST OF THE RENOVATIONS; OR

7                   (II)      THE COUNTY PROPERTY TAX OTHERWISE DUE FOR THE  
8 TAXABLE YEAR THAT BEGINS AFTER THE COMPLETION OF THE RENOVATIONS.

9                   (5)       OWNERS OF NEWLY CONSTRUCTED DWELLINGS OR RENOVATED  
10 DWELLINGS MAY QUALIFY FOR THE TAX CREDITS AUTHORIZED BY THIS SUBSECTION  
11 BY:

12                   (I)       1.       PURCHASING A NEWLY CONSTRUCTED DWELLING  
13 LOCATED IN THE NATIONAL CAPITAL PRESERVATION DISTRICT; OR

14                                   2.       RENOVATING A DWELLING LOCATED IN THE NATIONAL  
15 CAPITAL PRESERVATION DISTRICT;

16                   (II)      OCCUPYING THE NEWLY CONSTRUCTED DWELLING OR  
17 RENOVATED DWELLING AS THEIR PRINCIPAL RESIDENCE;

18                   (III)     FILING A STATE INCOME TAX RETURN DURING THE PERIOD OF  
19 THE TAX CREDIT AS A RESIDENT OF PRINCE GEORGE'S COUNTY; AND

20                   (IV)     SATISFYING OTHER REQUIREMENTS AS MAY BE PROVIDED BY  
21 THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY.

22                   (6)       THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY PROVIDE  
23 FOR PROCEDURES NECESSARY AND APPROPRIATE FOR THE SUBMISSION OF AN  
24 APPLICATION FOR AND THE GRANTING OF A PROPERTY TAX CREDIT UNDER THIS  
25 SUBSECTION, INCLUDING PROCEDURES FOR GRANTING PARTIAL CREDITS FOR  
26 ELIGIBILITY FOR LESS THAN A FULL TAXABLE YEAR.

27                   (7)       THE ESTIMATED AMOUNT OF ALL TAX CREDITS RECEIVED BY  
28 OWNERS UNDER THIS SUBSECTION IN ANY FISCAL YEAR SHALL BE REPORTED BY  
29 THE DIRECTOR OF FINANCE OF PRINCE GEORGE'S COUNTY AS A "TAX EXPENDITURE"  
30 FOR THAT FISCAL YEAR AND SHALL BE INCLUDED IN THE PUBLICATION OF THE  
31 COUNTY'S BUDGET FOR ANY SUBSEQUENT FISCAL YEAR WITH THE ESTIMATED OR  
32 ACTUAL COUNTY PROPERTY TAX REVENUE FOR THE APPLICABLE FISCAL YEAR.

33                   (8)       (I)       A PROPERTY TAX CREDIT UNDER THIS SUBSECTION MAY NOT  
34 BE GRANTED:

35                                   1.       FOR THE COST OF RENOVATIONS INCURRED DURING A  
36 TAXABLE YEAR BEGINNING AFTER JUNE 30, 2011; OR

