

HOUSE BILL 511

Q3, C8

6lr1870

By: **Delegates Edelson, Clippinger, and Lewis**

Introduced and read first time: January 27, 2026

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

Catalytic Revitalization Project Tax Credit – Alterations

3 FOR the purpose of altering the definition of “catalytic revitalization project”; altering
4 eligibility for and the amount of a certain credit against the State income tax that
5 certain persons may claim for certain construction and rehabilitation costs for
6 certain catalytic revitalization projects in the State; altering certain limitations on
7 the Secretary of Housing and Community Development to accept certain applications
8 and award certain tax credit certificates; requiring the Department of Housing and
9 Community Development to publish certain information and guidance; requiring the
10 Secretary to adopt certain regulations; and generally relating to the catalytic
11 revitalization project tax credit.

12 BY repealing and reenacting, with amendments,

13 Article – Housing and Community Development

14 Section 6–901, 6–902(a) and (c), 6–903(a), (b), and (f)(1), and 6–904

15 Annotated Code of Maryland

16 (2019 Replacement Volume and 2025 Supplement)

17 BY adding to

18 Article – Housing and Community Development

19 Section 6–903(g)

20 Annotated Code of Maryland

21 (2019 Replacement Volume and 2025 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

23 That the Laws of Maryland read as follows:

Article – Housing and Community Development

25 6–901.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 In this subtitle, “catalytic revitalization project” means the substantial rehabilitation
2 of a **HISTORIC** property in the State:

3 (1) that:

5 (II) IS A SUBSTANTIALLY VACANT OR FUNCTIONALLY
6 OBSOLESCENT PRIVATELY OWNED COMMERCIAL PROPERTY;

10 (II) AN ARTS AND ENTERTAINMENT DISTRICT DESIGNATED
11 UNDER TITLE 4, SUBTITLE 7 OF THE ECONOMIC DEVELOPMENT ARTICLE;

12 (III) A MAIN STREET MARYLAND COMMUNITY DESIGNATED BY
13 THE DEPARTMENT; OR

14 (IV) A PRIORITY FUNDING AREA DESIGNATED UNDER TITLE 5,
15 SUBTITLE 7B OF THE STATE FINANCE AND PROCUREMENT ARTICLE; and

20 6-902.

21 (a) An individual, a nonprofit organization, or a business entity may claim a tax
22 credit in an amount equal to:

27 (2) for a phased project issued a tax credit certificate on completion of a
28 phase, 100% of the amount stated in the final tax credit certificate issued by the Secretary
29 under § 6–903 of this subtitle for the taxable year in which the final tax credit certificate is
30 issued.

3 (1) the project has been determined by the Secretary to be in phases;

4 (2) a phase of the project has been completed;

5 (3) a final tax credit certificate is not issued for more than [20%] 25% of
6 the project's eligible expenses to date; and

(4) a final tax credit certificate is not issued that would exceed the aggregated limit of a project's credit under § 6-903(b) of this subtitle.

9 6-903.

10 (a) (1) Subject to the limitations of paragraph (2) of this subsection and
11 subsection (b) of this section, on application by an individual, a nonprofit organization, or
12 a business entity, the Secretary shall issue:

13 (i) an initial tax credit certificate in an amount equal to [20%] **25%**
14 of the individual's, nonprofit organization's, or business entity's estimated new construction
15 costs and rehabilitation costs for the project; and

16 (ii) on completion of the catalytic revitalization project or a phase of
17 the catalytic revitalization project, a final tax credit certificate in an amount equal to [20%]
18 **25%** of the individual's, nonprofit organization's, or business entity's actual new
19 construction costs and rehabilitation costs for the project.

(2) For purposes of calculating the credit authorized under paragraph (1) of this subsection, new construction costs:

22 (i) must be related to the construction of new structures that
23 connect, expand, or integrate the existing structures to be rehabilitated; and

24 (ii) may not exceed 50% of the total costs of the catalytic
25 revitalization project.

(i) accept applications and award initial credit certificates for catalytic revitalization projects more than once within a [2-year] **1-YEAR** period; or

30 (ii) issue tax credit certificates for credit amounts in the aggregate
31 totaling more than **[\$15,000,000] \$35,000,000** within a **[2-year] 1-YEAR** period.

14 (f) (1) The amount of the tax credit stated in the final tax credit certificate
15 that is allowed, but not claimed, under this subtitle may be transferred, by written
16 instrument, in whole or in part, to any individual, nonprofit organization, or business
17 entity, **INCLUDING A FINANCIAL INSTITUTION FOR PROJECT FINANCING PURPOSES.**

(G) THE DEPARTMENT SHALL:

26 6-904.

27 The Secretary, in consultation with the Department of Commerce, shall adopt
28 regulations to carry out the provisions of this subtitle, including regulations that:

33 (2) establish an application process for the issuance of tax credit
34 certificates under this subtitle, with an emphasis on applications that:

3 (II) HAVE A CATALYTIC IMPACT ON ADVANCING THE
4 PLACE-BASED ECONOMIC AND COMMUNITY DEVELOPMENT GOALS OF A
5 DESIGNATED MAIN STREET MARYLAND COMMUNITY OR ARTS AND
6 ENTERTAINMENT DISTRICT; and

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2026, and shall be applicable to all initial credit certificates issued for the catalytic
11 revitalization project tax credit on or after July 1, 2026.