

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND

2021 Legislative Session

Bill 2021-11

Commercial Real Property Improvement and Rehabilitation Tax Credit

Introduced by Charles County Commissioners

Adding a new section 281-28, providing a real property tax credit to the owners of commercial property in the Priority Funding Area meeting certain criteria; encouraging investment and providing incentives for property rehabilitation in commercial areas; and providing for the duration and amount of the tax credit authorized pursuant to the provisions of Section 9-310 (g) of the Tax-Property Article of the Annotated Code of Maryland.

Date introduced: 10 / 26 / 2021

Public Hearing: 12 / 15 / 2021 @ 6:00 p.m. Virtually

Commissioners Action: 12 / 15 / 2021 _____

Commissioner Votes: RBC: Y, BR: Y, GB: Y, TC: Y, AS: Y

Pass/Fail: Pass

Effective Date: 01 / 29 / 2022

Remarks: _____

NOTE: CAPITALS indicate matter added to existing text.
[Brackets] indicate matter deleted from existing law.

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND

2021 Legislative Session

Bill No. 2021-11

Chapter. No. 281

Introduced by The Board of County Commissioners

Date of Introduction: October 26, 2021

BILL

1 AN ACT concerning

2 **Commercial Real Property Improvement and Rehabilitation Tax Credit**

3
4 FOR the purpose of

5 Providing a real property tax credit to the owners of commercial property in the
6 Priority Funding Area meeting certain criteria; encouraging investment and providing
7 incentives for property rehabilitation in commercial areas; and providing for the duration
8 and amount of the tax credit authorized pursuant to the provisions of Section 9-310 (g) of
9 the Tax-Property Article of the Annotated Code of Maryland.

10
11 BY adding a new:

12 Section 281-28

13 *Code of Charles County, Maryland*

14 *(2020 Edition)*

1 **SECTION 1.** BE IT ENACTED BY THE COUNTY COMMISSIONERS OF
2 CHARLES COUNTY, MARYLAND, that the laws of Charles County, Maryland shall
3 read as follows:

4 **CHAPTER 281**

5 **ARTICLE VIII REAL PROPERTY TAX**

6 **SECTION 281-28. BUSINESS IMPROVEMENT INCENTIVE TAX CREDITS**

7 **A. DEFINITIONS.**

- 8 (1) “RENOVATION” MEANS THE CHANGE, STRENGTHENING, OR
9 ADDITION OF LOAD-BEARING ELEMENTS, OR THE
10 REFINISHING, REPLACEMENT, BRACING, STRENGTHENING,
11 UPGRADING, OR EXTENSIVE REPAIR OF EXISTING MATERIALS,
12 ELEMENTS, COMPONENTS, EQUIPMENT OR FIXTURES, OR ALL
13 OF THESE.
- 14 (a) “RENOVATION” DOES NOT INCLUDE THE INTERIOR
15 RECONFIGURATION OF SPACE OR PAINTING.
- 16 (b) “RENOVATION” SHALL INCLUDE THE TOTAL
17 RECONSTRUCTION OF A PRIOR EXISTING BUSINESS
18 PROPERTY.
- 19 (2) “REHABILITATION” MEANS THE PROCESS OF RETURNING A
20 PROPERTY TO A STATE OF UTILITY, THROUGH REPAIR OR
21 ALTERATION, WHICH MAKES POSSIBLE AN EFFICIENT
22 BUSINESS USE.
- 23 (3) “BUSINESS REAL PROPERTY” MEANS LAND AND BUILDINGS
24 USED WHOLLY AND EXCLUSIVELY IN A BUSINESS.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

**B. SCOPE OF THE TAX CREDIT; APPLICATIONS PROCESS;
APPROVAL/DENIAL BY DIRECTOR OF ECONOMIC DEVELOPMENT.**

- (1) FOR THE PURPOSE OF ENCOURAGING ECONOMIC DEVELOPMENT BY REVITALIZING BUSINESS COMMUNITIES THE COUNTY COMMISSIONERS ARE HEREBY AUTHORIZED TO GRANT A REAL PROPERTY TAX CREDIT TO THE OWNER(S) OF ANY QUALIFYING BUSINESS REAL PROPERTY WITHIN THE COUNTY WHERE AN INCREASE IN THE ASSESSED VALUE OF SAID IMPROVED PROPERTY HAS OCCURRED AS THE DIRECT RESULT OF THE REHABILITATION, OR RENOVATION OF THE PROPERTY.
- (2) THE CREDIT SHALL BE CALCULATED ANNUALLY AS A DECLINING PERCENTAGE OF THE TAXES DUE ON THE INCREASED PROPERTY ASSESSMENT AS A RESULT OF THE IMPROVEMENTS AND SHALL NOT EXCEED FIVE (5) FULL CONSECUTIVE TAXABLE YEARS.
- (3) TO BE ELIGIBLE FOR THE CREDIT, THE INCREASE IN THE ASSESSED VALUE MUST BE GREATER THAN \$100,000 USD AND SHALL NOT EXCEED \$3,000,000 USD.
- (4) IT SHALL BE THE SOLE RESPONSIBILITY OF THE PROPERTY OWNERS TO APPLY FOR THE TAX CREDIT AND TO PROVIDE DOCUMENTATION SATISFACTORY TO THE ECONOMIC DEVELOPMENT DEPARTMENT AS TO THE QUALIFICATIONS OF

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

THE PROPERTY FOR SAID CREDIT.

(5) THE CHARLES COUNTY ECONOMIC DEVELOPMENT DEPARTMENT SHALL SERVE AS THE PRIMARY POINT OF CONTACT FOR RECEIVING APPLICATIONS, ON A FORM DEVELOPED AND APPROVED BY THE DEPARTMENT, AND SHALL CONDUCT THE INITIAL EVALUATION OF QUALIFICATIONS AND ELIGIBILITY FOR THE CREDIT. ONCE THE APPLICATIONS HAVE BEEN REVIEWED AND APPROVED BY THE CHARLES COUNTY ECONOMIC DEVELOPMENT DEPARTMENT, THEY WILL BE FORWARDED TO THE DEPARTMENT OF FISCAL AND ADMINISTRATIVE SERVICES.

(6) IN ACCORDANCE WITH STANDARDS APPROVED BY THE COUNTY COMMISSIONERS, THE DIRECTOR OF FISCAL AND ADMINSTRATIVE SERVICES SHALL RECOMMEND THE APPROVAL OR DENIAL OF THE TAX CREDIT.

C. CALCULATION OF THE CREDIT.

(1) COMPUTATION OF THE BASE CREDIT. THE BASE CREDIT AMOUNT IS THE DIFFERENCE BETWEEN THE INCREASED ASSESSED VALUE OF THE PROPERTY AS A RESULT OF THE IMPROVEMENT/REHABILITATION AND THE ASSESSED VALUE OF THE PROPERTY FROM THE YEAR PRIOR TO THE IMPROVEMENT/REHABILITATION. ONLY OFFICIAL ASSESSMENT NOTICES ISSUED PRIOR TO AND AFTER INVESTMENT/RENOVATION IMPROVEMENTS SHALL BE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

CONSIDERED EVIDENCE OF THE ASSESSED VALUES.

(2) DURATION. THE CREDIT SHALL BE FOR FIVE (5) FULL YEARS OF TAXES AND SHALL BE CALCULATED AS FOLLOWS:

(a) 100% CREDIT IN YEAR ONE (1) OF THE BASE CREDIT AMOUNT IN SECTION (1).

(b) 80% CREDIT IN YEAR TWO (2) OF THE BASE CREDIT AMOUNT IN SECTION (1).

(c) 60% CREDIT IN YEAR THREE (3) OF THE BASE CREDIT AMOUNT IN SECTION (1).

(d) 40% CREDIT IN YEAR FOUR (4) OF THE BASE CREDIT AMOUNT IN SECTION (1).

(e) 20% CREDIT IN YEAR FIVE (5) OF THE BASE CREDIT AMOUNT IN SECTION (1).

(3) ANY PROPERTY TAX CREDIT GRANTED PURSUANT TO THIS SECTION SHALL BE BASED ON THE CURRENT TAX RATE.

D. **LIMITATIONS.** THE APPROVED CREDIT IS APPLIED ONLY TO THE COUNTY TAX ASSESSMENT AND DOES NOT APPLY AS A CREDIT AGAINST THE ASSESSMENT FOR STATE, MUNICIPALITY (TOWN), FIRE AND RESCUE, FAIR SHARE SCHOOL CONSTRUCTION TAXES, OR TAXES THE PROPERTY OWNER MAY IN THE FUTURE BE REQUIRED TO PAY TO THE COUNTY THAT IS NOT ALREADY INCLUDED IN THE REAL PROPERTY TAX AND FEES BILL.


SECTION 2. BE IT FURTHER ENACTED, THAT THIS ACT SHALL EXPIRE BY ITS OWN TERMS AT MIDNIGHT ON JUNE 30, 2027 AND SHALL

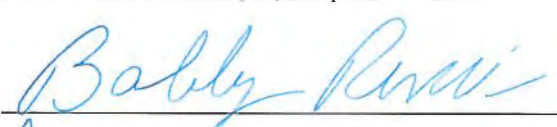
1 BECOME NULL AND VOID AND OF NO FURTHER EFFECT WITHOUT
2 FURTHER ACTION BEING REQUIRED.

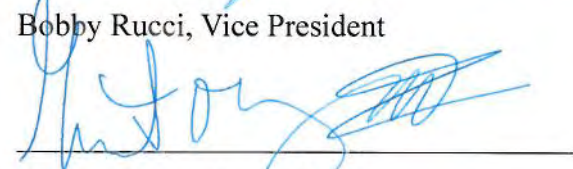
3 **SECTION 3.** BE IT FINALLY ENACTED, THAT THIS ACT SHALL TAKE
4 EFFECT FORTY-FIVE (45) CALENDAR DAYS AFTER ADOPTION.

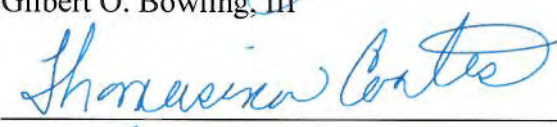
5
6 ADOPTED this 15th day of December 2021.

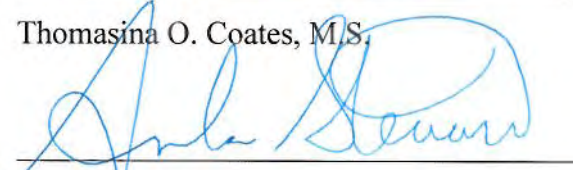
7
8 COUNTY COMMISSIONERS
9 CHARLES COUNTY, MARYLAND

10 
11 _____
12 Reuben B. Collins, II, Esq. President


13 
14 _____
15 Bobby Rucci, Vice President

16 
17 _____
18 Gilbert O. Bowling, III

19 
20 _____
21 Thomasina O. Coates, M.S.

22 
23 _____
24 Amanda M. Stewart, M.Ed.

25 ATTEST:

26 
27 _____
28 Carol DeSoto, Clerk to the Commissioners