COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2015, Legislative Day No. 39

Bill No. 118-15

Introduced by Mr. Trumbauer and Mr. Grasso
and
by Mr. Smith, Vice Chairman
(by request of the County Executive)

By the County Council, December 7, 2015

Introduced and first read on December 7, 2015
Public Hearing set for and held on January 4, 2016
Public Hearing on AMENDED BILL set for and held on January 19, 2016
Public Hearing on SECOND AMENDED BILL set for and held on February 1, 2016
Bill Expires March 11, 2016

By Order: Elizabeth E. Jones, Administrative Officer

A BILL ENTITLED

AN ORDINANCE concerning: Real Property Taxes – Historic Preservation Tax Credit

FOR the purpose of establishing a historic preservation tax credit; defining certain terms;
providing for the eligibility of a historic preservation tax credit; establishing the
procedure for applying for a historic preservation tax credit; establishing a method for
the calculation of the tax credit; providing for the termination of the tax credit under
certain circumstances; and generally relating to real property taxes.

BY renumbering: §§4-2-311 through 4-2-315 to be §§4-2-312 through 4-2-316,
respectively
Anne Arundel County Code (2005, as amended)

BY adding: § 4-2-311
Anne Arundel County Code (2005, as amended)

SECTION 1. Be it enacted by the County Council of Anne Arundel County,
Maryland, That §§4-2-311 through 4-2-315, Anne Arundel County Code (2005, as

EXPLANATION:
CAPITALS indicate new matter added to existing law.
[Brackets] indicate matter stricken from existing law.
Underlining indicates amendments to bill.
Strikeover indicates matter stricken from bill by amendment.
amended) are hereby renumbered to be §§ 4-2-312 through 4-2-316, respectively.

SECTION 2. And be it further enacted, That Section(s) of the Anne Arundel County Code (2005, as amended) read as follows:

ARTICLE 4. FINANCE, TAXATION AND BUDGET

TITLE 2. REAL PROPERTY TAXES

4-2-311. Historic Preservation Tax Credit

(A) Definitions. In this section, the following words have the meanings indicated.

(1) “HISTORICALLY VALUABLE STRUCTURE” MEANS A STRUCTURE RECEIVING CERTIFICATION FROM THE OFFICE OF PLANNING AND ZONING AS AN ANNE ARUNDELL COUNTY HISTORIC LANDMARK OR A CONTRIBUTING RESOURCE TO A HISTORIC DISTRICT THAT IS CERTIFIED AS AN ANNE ARUNDELL COUNTY HISTORIC LANDMARK. “HISTORICALLY VALUABLE STRUCTURE” DOES NOT INCLUDE STRUCTURES LOCATED IN THE CITY OF ANNAPOLIS.

(2) “QUALIFIED EXPENSE” MEANS WORK COMPLETED IN COMPLIANCE WITH UNITED STATES DEPARTMENT OF INTERIOR STANDARDS FOR THE TREATMENT OF HISTORIC PROPERTIES PURSUANT TO 36 C.F.R. 68.3.

(3) “ANNE ARUNDELL COUNTY HISTORIC LANDMARK” MEANS A STRUCTURE OR HISTORIC DISTRICT THAT IS AT LEAST 65 YEARS OLD; HAS A PARTICULARLY HIGH LEVEL OF HISTORICAL SIGNIFICANCE AND INTEGRITY; IS REPRESENTATIVE OF THE COUNTY’S HISTORY, ARCHITECTURE, ARCHEOLOGY, ENGINEERING OR CULTURE; AND POSSESS INTEGRITY OF LOCATION, DESIGN, SETTING, MATERIALS, WORKMANSHIP, FEELING OR ASSOCIATION; AND

(I) IS ASSOCIATED WITH EVENTS THAT HAVE MADE A SIGNIFICANT CONTRIBUTION TO THE BROAD PATTERNS OF COUNTY HISTORY;

(II) IS ASSOCIATED WITH THE LIFE OF A SIGNIFICANT PERSON;

(III) EMBODIES DISTINCTIVE CHARACTERISTICS OF A TYPE, PERIOD, OR METHOD OF CONSTRUCTION; REPRESENTS THE WORK OF A MASTER; POSSESS HIGH ARTISTIC VALUES; OR REPRESENTS A SIGNIFICANT AND DISTINGUISHABLE ENTITY WHOSE COMPONENTS MAY LACK INDIVIDUAL DISTINCTION;

(IV) HAS YIELDED OR MAY BE LIKELY TO YIELD INFORMATION IMPORTANT IN HISTORY OR PREHISTORY; OR

(V) IS A PROPERTY PREVIOUSLY LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR HAS BEEN DETERMINED ELIGIBLE BY THE STATE HISTORIC PRESERVATION OFFICE FOR LISTING ON THE NATIONAL REGISTER OF HISTORIC PLACES.

(B) Creation. There is a historic preservation tax credit from county real property taxes on historically valuable structures, as authorized by § 9-204 of the tax-property article of the state code.

(C) Eligibility and duration.

(I) The owner of a historically valuable structure is eligible for the
HISTORIC PRESERVATION TAX CREDIT AND MAY APPLY FOR THE CREDIT FOR EACH YEAR FOR A PERIOD OF UP TO FIVE YEARS, PROVIDED THE CREDIT IS NOT COMBINED WITH OTHER OPTIONAL PROPERTY TAX CREDITS AS PERMITTED UNDER TITLE 9 OF THE TAX-PROPERTY ARTICLE OF THE STATE CODE OR THIS TITLE. IF THE TAX CREDIT FOR ANY ONE YEAR EXCEEDS THE AMOUNT OF THE COUNTY REAL PROPERTY BILL FOR THAT YEAR, THE BALANCE MAY BE CARRIED FORWARD UNTIL DEPLETED FOR UP TO FIVE YEARS. TO BE ELIGIBLE FOR THE TAX CREDIT, A PERPETUAL PRESERVATION EASEMENT ON THE HISTORICALLY VALUABLE STRUCTURE MUST BE GRANTED TO THE COUNTY. THE CREDIT RUNS WITH THE PROPERTY AND IS FULLY TRANSFERRABLE TO A NEW OWNER FOR THE DURATION OF THE CREDIT.

(2) QUALIFIED EXPENSES SHALL BE INCURRED ON OR AFTER JULY 1, 2014 AND WITHIN TWO TAX YEARS PRIOR TO THE DATE OF APPLICATION FOR THE CREDIT.

(D) Time for filing of application. AN APPLICATION FOR THE TAX CREDIT CREATED BY THIS SECTION SHALL BE FILED ON OR BEFORE APRIL 1 IMMEDIATELY BEFORE THE TAXABLE YEAR FOR WHICH THE TAX CREDIT IS SOUGHT. IF THE APPLICATION IS FILED AFTER APRIL 1, THE CREDIT SHALL BE DISALLOWED THAT YEAR BUT SHALL BE TREATED AS AN APPLICATION FOR A TAX CREDIT FOR THE NEXT SUCCEEDING TAXABLE YEAR.

(E) Calculation.

(1) THE TAX CREDIT SHALL BE:

(I) 25% OF THE PROPERTY OWNER'S QUALIFIED EXPENSES FOR PRESERVATION, RESTORATION AND REHABILITATION OF HISTORICALLY VALUABLE RESIDENTIAL STRUCTURES, INCLUDING INTERIOR IMPROVEMENTS REQUIRED FOR LIFE SAFETY AND ADA-REQUIRED IMPROVEMENTS;

(II) 25% OF THE PROPERTY OWNER'S QUALIFIED EXPENSES FOR PRESERVATION, RESTORATION, OR REHABILITATION OF HISTORICALLY VALUABLE STRUCTURES THAT ARE INCOME-PRODUCING, INCLUDING EXPENSES FOR LIFE SAFETY AND ADA-REQUIRED IMPROVEMENTS; AND

(III) 5% OF THE PROPERTY OWNER'S QUALIFIED EXPENSES FOR THE CONSTRUCTION OF ARCHITECTURALLY-COMPATIBLE NEW STRUCTURES AS INFILL WITHIN A HISTORIC DISTRICT THAT IS AN ANNE ARUNDEL COUNTY HISTORIC LANDMARK.

(2) THE TOTAL TAX CREDIT MAY NOT EXCEED $50,000 OVER THE FIVE YEAR PERIOD ESTABLISHED IN SUBSECTION (C).

(F) Review by Planning and Zoning. THE OFFICE OF PLANNING AND ZONING SHALL REVIEW EACH APPLICATION FOR THE TAX CREDIT AND CERTIFY THAT THE PROPERTY QUALIFIES AS A HISTORICALLY VALUABLE STRUCTURE AND THAT THE RENOVATION OR CONSTRUCTION EXPENSES SUBMITTED FOR THE CREDIT ARE QUALIFIED. THE OFFICE OF PLANNING AND ZONING MAY CONSULT WITH EXPERTS AS NECESSARY TO ENSURE THE PROPERTY MEETS APPLICABLE CRITERIA AND STANDARDS FOR HISTORIC SIGNIFICANCE AND INTEGRITY BEFORE QUALIFYING THE STRUCTURE FOR THE CREDIT. A DETERMINATION REGARDING A QUALIFICATION OF A PROPERTY OR OF RENOVATION OR CONSTRUCTION EXPENSES BY THE OFFICE OF PLANNING AND ZONING IS NOT SUBJECT TO APPEAL.

(G) Form of application. AN APPLICATION FOR A HISTORIC PRESERVATION TAX CREDIT SHALL BE MADE TO THE CONTROLLER ON A FORM PROVIDED BY THE CONTROLLER'S OFFICE AND SHALL INCLUDE DOCUMENTATION REVIEWED BY THE OFFICE OF PLANNING AND ZONING WITH CERTIFICATION OF ELIGIBILITY OF THE STRUCTURE AND ANY ADDITIONAL INFORMATION THE CONTROLLER BELIEVES TO BE
NECESSARY TO DETERMINE IF THE STRUCTURE QUALIFIES FOR THE CREDIT.

(H) Termination. The tax credit shall terminate if the property is altered by the owner and no longer complies with the standards by which it became eligible for the credit as a historically valuable structure, or if the owner fails to comply with the terms of the perpetual easement. The property owner shall be required to refund the entire amount of the tax credit, including interest computed in the manner provided under § 4-1-103 and from the date the credit was first granted to the county if a tax credit is terminated under this section. Upon full repayment of the tax credit, including any interest, the easement granted under subsection (c)(1) shall be released by the county. Any amounts not paid in full within thirty days of termination of the credit shall be collected pursuant to § 1-9-101 of this code.

SECTION 3. And be it further enacted, That this Ordinance shall take effect 45 days from the date it becomes law.

AMENDMENTS ADOPTED: January 4 and 19, 2016

READ AND PASSED this 1st day of February, 2016

By Order:

Elizabeth E. Jones
Administrative Officer

PRESENTED to the County Executive for his approval this 2nd day of February, 2016

Elizabeth E. Jones
Administrative Officer

APPROVED AND ENACTED this 3rd day of February, 2016

Steven R. Schuh
County Executive

EFFECTIVE DATE: March 19, 2016

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF BILL NO. 118-15, THE ORIGINAL OF WHICH IS RETAINED IN THE FILES OF THE COUNTY COUNCIL.

Elizabeth E. Jones
Administrative Officer