

FINAL

AMENDED
January 4 and 19, 2016

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

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

2
3 FOR the purpose of establishing a historic preservation tax credit; defining certain terms;
4 providing for the eligibility of a historic preservation tax credit; establishing the
5 procedure for applying for a historic preservation tax credit; establishing a method for
6 the calculation of the tax credit; providing for the termination of the tax credit under
7 certain circumstances; and generally relating to real property taxes.

8
9 BY renumbering: §§4-2-311 through 4-2-315 to be §§4-2-312 through 4-2-316,
10 respectively
11 Anne Arundel County Code (2005, as amended)

12
13 BY adding: § 4-2-311
14 Anne Arundel County Code (2005, as amended)

15
16 SECTION 1. *Be it enacted by the County Council of Anne Arundel County,*
17 *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.

1 amended) are hereby renumbered to be §§ 4-2-312 through 4-2-316, respectively.
2

3 SECTION 2. *And be it further enacted*, That Section(s) of the Anne Arundel County
4 Code (2005, as amended) read as follows:
5

6 **ARTICLE 4. FINANCE, TAXATION AND BUDGET**
7

8 **TITLE 2. REAL PROPERTY TAXES**
9

10 **4-2-311. Historic Preservation Tax Credit**
11

12 (A) **Definitions.** IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS
13 INDICATED.
14

15 (1) "HISTORICALLY VALUABLE STRUCTURE" MEANS A STRUCTURE RECEIVING
16 CERTIFICATION FROM THE OFFICE OF PLANNING AND ZONING AS AN ANNE ARUNDEL
17 COUNTY HISTORIC LANDMARK OR A CONTRIBUTING RESOURCE TO A HISTORIC DISTRICT
18 THAT IS CERTIFIED AS AN ANNE ARUNDEL COUNTY HISTORIC LANDMARK.
19 "HISTORICALLY VALUABLE STRUCTURE" DOES NOT INCLUDE STRUCTURES LOCATED IN
20 THE CITY OF ANNAPOLIS.
21

22 (2) "QUALIFIED EXPENSE" MEANS WORK COMPLETED IN COMPLIANCE WITH
23 UNITED STATES DEPARTMENT OF INTERIOR STANDARDS FOR THE TREATMENT OF
24 HISTORIC PROPERTIES PURSUANT TO 36 C.F.R. 68.3.
25

26 (3) "ANNE ARUNDEL COUNTY HISTORIC LANDMARK" MEANS A STRUCTURE OR
27 HISTORIC DISTRICT THAT IS AT LEAST 65 YEARS OLD; HAS A PARTICULARLY HIGH LEVEL
28 OF HISTORICAL SIGNIFICANCE AND INTEGRITY; IS REPRESENTATIVE OF THE COUNTY'S
29 HISTORY, ARCHITECTURE, ARCHEOLOGY, ENGINEERING OR CULTURE; AND POSSESS
30 INTEGRITY OF LOCATION, DESIGN, SETTING, MATERIALS, WORKMANSHIP, FEELING OR
31 ASSOCIATION; AND
32

33 (I) IS ASSOCIATED WITH EVENTS THAT HAVE MADE A SIGNIFICANT
34 CONTRIBUTION TO THE BROAD PATTERNS OF COUNTY HISTORY;
35

36 (II) IS ASSOCIATED WITH THE LIFE OF A SIGNIFICANT PERSON;
37

38 (III) EMBODIES DISTINCTIVE CHARACTERISTICS OF A TYPE, PERIOD, OR
39 METHOD OF CONSTRUCTION; REPRESENTS THE WORK OF A MASTER; POSSESS HIGH
40 ARTISTIC VALUES; OR REPRESENTS A SIGNIFICANT AND DISTINGUISHABLE ENTITY
41 WHOSE COMPONENTS MAY LACK INDIVIDUAL DISTINCTION;
42

43 (IV) HAS YIELDED OR MAY BE LIKELY TO YIELD INFORMATION IMPORTANT IN
44 HISTORY OR PREHISTORY; OR
45

46 (V) IS A PROPERTY PREVIOUSLY LISTED ON THE NATIONAL REGISTER OF
47 HISTORIC PLACES OR HAS BEEN DETERMINED ELIGIBLE BY THE STATE HISTORIC
48 PRESERVATION OFFICE FOR LISTING ON THE NATIONAL REGISTER OF HISTORIC PLACES.
49

50 (B) **Creation.** THERE IS A HISTORIC PRESERVATION TAX CREDIT FROM COUNTY
51 REAL PROPERTY TAXES ON HISTORICALLY VALUABLE STRUCTURES, AS AUTHORIZED BY
52 § 9-204 OF THE TAX-PROPERTY ARTICLE OF THE STATE CODE.
53

54 (C) **Eligibility and duration.**
55

56 (1) THE OWNER OF A HISTORICALLY VALUABLE STRUCTURE IS ELIGIBLE FOR THE

1 HISTORIC PRESERVATION TAX CREDIT AND MAY APPLY FOR THE CREDIT FOR EACH
2 YEAR FOR A PERIOD OF UP TO FIVE YEARS, PROVIDED THE CREDIT IS NOT COMBINED
3 WITH OTHER OPTIONAL PROPERTY TAX CREDITS AS PERMITTED UNDER TITLE 9 OF THE
4 TAX-PROPERTY ARTICLE OF THE STATE CODE OR THIS TITLE. IF THE TAX CREDIT FOR
5 ANY ONE YEAR EXCEEDS THE AMOUNT OF THE COUNTY REAL PROPERTY BILL FOR THAT
6 YEAR, THE BALANCE MAY BE CARRIED FORWARD UNTIL DEPLETED FOR UP TO FIVE
7 YEARS. TO BE ELIGIBLE FOR THE TAX CREDIT, A PERPETUAL PRESERVATION EASEMENT
8 ON THE HISTORICALLY VALUABLE STRUCTURE MUST BE GRANTED TO THE COUNTY. THE
9 CREDIT RUNS WITH THE PROPERTY AND IS FULLY TRANSFERRABLE TO A NEW OWNER
10 FOR THE DURATION OF THE CREDIT.

11
12 (2) QUALIFIED EXPENSES SHALL BE INCURRED ON OR AFTER JULY 1, 2014 AND
13 WITHIN TWO TAX YEARS PRIOR TO THE DATE OF APPLICATION FOR THE CREDIT.
14

15 (D) **Time for filing of application.** AN APPLICATION FOR THE TAX CREDIT CREATED
16 BY THIS SECTION SHALL BE FILED ON OR BEFORE APRIL 1 IMMEDIATELY BEFORE THE
17 TAXABLE YEAR FOR WHICH THE TAX CREDIT IS SOUGHT. IF THE APPLICATION IS FILED
18 AFTER APRIL 1, THE CREDIT SHALL BE DISALLOWED THAT YEAR BUT SHALL BE TREATED
19 AS AN APPLICATION FOR A TAX CREDIT FOR THE NEXT SUCCEEDING TAXABLE YEAR.
20

21 (E) **Calculation.**

22
23 (1) THE TAX CREDIT SHALL BE:

24
25 (I) 25% OF THE PROPERTY OWNER'S QUALIFIED EXPENSES FOR
26 PRESERVATION, RESTORATION AND REHABILITATION OF HISTORICALLY VALUABLE
27 RESIDENTIAL STRUCTURES, INCLUDING INTERIOR IMPROVEMENTS REQUIRED FOR LIFE
28 SAFETY AND ADA-REQUIRED IMPROVEMENTS;
29

30 (II) 25% OF THE PROPERTY OWNER'S QUALIFIED EXPENSES FOR
31 PRESERVATION, RESTORATION, OR REHABILITATION OF HISTORICALLY VALUABLE
32 STRUCTURES THAT ARE INCOME-PRODUCING, INCLUDING EXPENSES FOR LIFE SAFETY
33 AND ADA-REQUIRED IMPROVEMENTS; AND
34

35 (III) 5% OF THE PROPERTY OWNER'S QUALIFIED EXPENSES FOR THE
36 CONSTRUCTION OF ARCHITECTURALLY-COMPATIBLE NEW STRUCTURES AS INFILL
37 WITHIN A HISTORIC DISTRICT THAT IS AN ANNE ARUNDEL COUNTY HISTORIC
38 LANDMARK.
39

40 (2) THE TOTAL TAX CREDIT MAY NOT EXCEED \$50,000 OVER THE FIVE YEAR
41 PERIOD ESTABLISHED IN SUBSECTION (C).
42

43 (F) **Review by Planning and Zoning.** THE OFFICE OF PLANNING AND ZONING
44 SHALL REVIEW EACH APPLICATION FOR THE TAX CREDIT AND CERTIFY THAT THE
45 PROPERTY QUALIFIES AS A HISTORICALLY VALUABLE STRUCTURE AND THAT THE
46 RENOVATION OR CONSTRUCTION EXPENSES SUBMITTED FOR THE CREDIT ARE
47 QUALIFIED. THE OFFICE OF PLANNING AND ZONING MAY CONSULT WITH EXPERTS AS
48 NECESSARY TO ENSURE THE PROPERTY MEETS APPLICABLE CRITERIA AND STANDARDS
49 FOR HISTORIC SIGNIFICANCE AND INTEGRITY BEFORE QUALIFYING THE STRUCTURE FOR
50 THE CREDIT. A DETERMINATION REGARDING A QUALIFICATION OF A PROPERTY OR OF
51 RENOVATION OR CONSTRUCTION EXPENSES BY THE OFFICE OF PLANNING AND ZONING
52 IS NOT SUBJECT TO APPEAL.
53

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

1 NECESSARY TO DETERMINE IF THE STRUCTURE QUALIFIES FOR THE CREDIT.
2

3 (H) **Termination.** THE TAX CREDIT SHALL TERMINATE IF THE PROPERTY IS
4 ALTERED BY THE OWNER AND NO LONGER COMPLIES WITH THE STANDARDS BY WHICH
5 IT BECAME ELIGIBLE FOR THE CREDIT AS A HISTORICALLY VALUABLE STRUCTURE, OR IF
6 THE OWNER FAILS TO COMPLY WITH THE TERMS OF THE PERPETUAL EASEMENT. THE
7 PROPERTY OWNER SHALL BE REQUIRED TO REFUND THE ENTIRE AMOUNT OF THE TAX
8 CREDIT, INCLUDING INTEREST COMPUTED IN THE MANNER PROVIDED UNDER § 4-1-103
9 AND FROM THE DATE THE CREDIT WAS FIRST GRANTED TO THE COUNTY IF A TAX
10 CREDIT IS TERMINATED UNDER THIS SECTION. UPON FULL REPAYMENT OF THE TAX
11 CREDIT, INCLUDING ANY INTEREST, THE EASEMENT GRANTED UNDER SUBSECTION (C)(1)
12 SHALL BE RELEASED BY THE COUNTY. ANY AMOUNTS NOT PAID IN FULL WITHIN THIRTY
13 DAYS OF TERMINATION OF THE CREDIT SHALL BE COLLECTED PURSUANT TO § 1-9-101 OF
14 THIS CODE.
15

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

AMENDMENTS ADOPTED: January 4 and 19, 2016

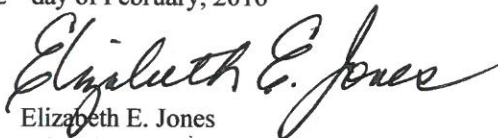
READ AND PASSED this 1st day of February, 2016

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

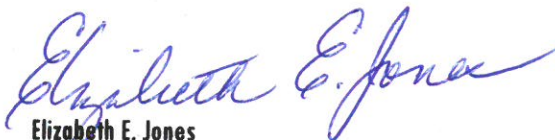
APPROVED AND ENACTED this 3 day of February, 2016



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