

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND

**2003 Legislative Session
Legislative Day # 9**

BILL NO. 2003-05

Introduced by: Charles County Commissioners

AN ACT concerning

Municipal Property Tax Credits - Business Improvement Incentive Tax

Date introduced: 07/07/2003

Public Hearing 07/22/2003

Commissioners Action 08/04/2003 Enact

Commissioner Votes: WC: AB, RF: Yes, ML: Yes, DM: Yes, AS: Yes

Pass/Fail: Pass

Effective Date: 09/18/2003

Remarks: _____

AMENDMENTS

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND

2003 Legislative Session

Bill No. 2003 - 05

Chapter. No. 27

Introduced by Board of County Commissioners

Date of Introduction _____

BILL

1 AN ACT concerning

2 **Municipal Property Tax Credits - Business Improvement Incentive Tax Credit**

3

4 FOR the purpose of

5 Providing for a real property tax credit to the owner(s) of certain business property

6 located within an incorporated municipality whose business property meets certain criteria, and

7 generally relating to a business improvement incentive tax credit, pursuant to the provisions of

8 Section9-310 (g) of the Tax-Property Article of the Annotated Code of Maryland.

9

10 BY adding to: CHAPTER 27

11

12 **SECTION 1.** BE IT ENACTED BY THE COUNTY COMMISSIONERS OF

13 CHARLES COUNTY, MARYLAND, that the laws of Charles County, Maryland shall read as

14 follows:

1 **CHAPTER 27**

2 **COMMISSIONERS, COUNTY**

3 **SECTION 27-19. BUSINESS IMPROVEMENT INCENTIVE TAX CREDITS**

4 **A. DEFINITIONS.**

5 (1) "RENOVATION" MEANS THE CHANGE, STRENGTHENING, OR
6 ADDITION OF LOAD-BEARING ELEMENTS, OR THE REFINISHING,
7 REPLACEMENT, BRACING, STRENGTHENING, UPGRADING, OR
8 EXTENSIVE REPAIR OF EXISTING MATERIALS, ELEMENTS,
9 COMPONENTS, EQUIPMENT OR FIXTURES, OR ALL OF THESE.

10 (a) "RENOVATION" DOES NOT INCLUDE THE INTERIOR
11 RECONFIGURATION OF SPACE OR PAINTING.

12 (b) "RENOVATION" SHALL INCLUDE THE TOTAL
13 RECONSTRUCTION OF A PRIOR EXISTING BUSINESS PROPERTY
14 DESTROYED BY WIND, HAIL, FIRE OR OTHER ACTS OF GOD.

15 (2) "REHABILITATION" MEANS THE PROCESS OF RETURNING A
16 PROPERTY TO A STATE OF UTILITY, THROUGH REPAIR OR
17 ALTERATION, WHICH MAKES POSSIBLE AN EFFICIENT BUSINESS USE.

18 **B. SCOPE OF THE TAX CREDIT; APPLICATIONS PROCESS;**
19 **APPROVAL/DENIAL BY MUNICIPALITIES, DIRECTOR OF FISCAL**
20 **SERVICES, AND COUNTY COMMISSIONERS.**

21 (1) FOR THE PURPOSE OF ENCOURAGING ECONOMIC DEVELOPMENT BY
22 REVITALIZING BUSINESS COMMUNITIES THE COUNTY

1 COMMISSIONERS ARE HEREBY AUTHORIZED TO GRANT A REAL
2 PROPERTY TAX CREDIT TO THE OWNER(S) OF ANY QUALIFYING
3 BUSINESS REAL PROPERTY IN AN INCORPORATED MUNICIPALITY
4 WITHIN THE COUNTY WHERE AN INCREASE IN THE ASSESSED
5 VALUE OF SAID IMPROVED PROPERTY HAS OCCURRED AS THE
6 DIRECT RESULT OF THE REHABILITATION OR RENOVATION OF THE
7 PROPERTY.

8 (2) THE CREDIT SHALL BE A DECLINING PERCENTAGE ON AN ANNUAL
9 BASIS AND SHALL NOT EXCEED FIVE (5) YEARS.

10 (3) IT SHALL BE THE SOLE RESPONSIBILITY OF THE PROPERTY
11 OWNER(S) TO APPLY FOR THE TAX CREDIT AND TO PROVIDE
12 DOCUMENTATION SATISFACTORY TO THE INCORPORATED
13 MUNICIPALITIES AND DIRECTOR OF FISCAL SERVICES AS TO THE
14 QUALIFICATIONS OF THE PROPERTY FOR SAID CREDIT .

15 (4) INCORPORATED MUNICIPALITIES SHALL SERVE AS THE CONDUITS
16 FOR RECEIVING APPLICATIONS, ON A FORM DEVELOPED OR
17 APPROVED BY THE DIRECTOR OF FISCAL SERVICES, AND SHALL
18 PROVIDE THE INITIAL REVIEW PROCESS FOR QUALIFYING FOR THE
19 CREDIT. ONCE THE APPLICATIONS HAVE BEEN REVIEWED AND
20 APPROVED BY THE RESPECTIVE MUNICIPALITY, THEY WILL BE
21 FORWARDED TO THE DIRECTOR OF FISCAL SERVICES FOR FURTHER
22 CONSIDERATION OF A COUNTY TAX CREDIT.

1 (5) IN ACCORDANCE WITH STANDARDS APPROVED BY THE COUNTY
2 COMMISSIONERS, THE DIRECTOR OF FISCAL SERVICES SHALL
3 RECOMMEND THE APPROVAL OR DENIAL OF THE TAX CREDIT TO
4 THE COUNTY COMMISSIONERS, WHO SHALL APPROVE OR DENY THE
5 CREDIT. THE DIRECTOR OF FISCAL SERVICES SHALL SO NOTIFY THE
6 MUNICIPALITY AND THE PROPERTY OWNER(S) OF THE
7 COMMISSIONERS' DECISION.

8 **C. CALCULATION OF THE CREDIT.**

9 (1) THE CREDIT SHALL BE FOR FIVE (5) FULL YEARS OF TAXES AND
10 SHALL BE CALCULATED AS FOLLOWS:

11 (a) 100% CREDIT IN YEAR ONE (1) OF THE NET DIFFERENCE
12 BETWEEN THE LAST KNOWN FULL YEAR ASSESSED VALUE OF
13 THE IMPROVED PROPERTY, AS EVIDENCED BY THE LAST
14 OFFICIAL ASSESSMENT NOTICE ISSUED PRIOR TO THE
15 RENOVATION OR REHABILITATION OF THE IMPROVED
16 PROPERTY, AND THE VALUE OF THE NEW FULL YEAR
17 ASSESSMENT OF THE IMPROVED PROPERTY AS EVIDENCED
18 BY THE NEW OFFICIAL ASSESSMENT NOTICE.

19 (b) 80% CREDIT IN YEAR TWO (2) OF THE NET DIFFERENCE
20 DESCRIBED ABOVE.

21 (c) 60% CREDIT IN YEAR THREE (3) OF THE NET DIFFERENCE
22 DESCRIBED ABOVE.

1 (d) 40% CREDIT IN YEAR FOUR (4) OF THE NET DIFFERENCE
2 DESCRIBED ABOVE.

3 (e) 20% CREDIT IN YEAR FIVE (5) OF THE NET DIFFERENCE
4 DESCRIBED ABOVE.

5 (2) ANY PROPERTY TAX CREDIT GRANTED PURSUANT TO THIS SECTION
6 SHALL NOT INCLUDE ANY INCREASE IN TAXES LEVIED AS A RESULT
7 OF A TAX RATE INCREASE BY THE COUNTY OR THE MUNICIPALITY.

8 **D. LIMITATION.**

9 (1) FOR BUSINESS REAL PROPERTY DAMAGED OR DESTROYED BY THE
10 APRIL 2002 TORNADO AND LOCATED WITHIN THE INCORPORATED
11 MUNICIPALITY OF LA PLATA, THE CREDIT SHALL BE APPLICABLE
12 ONLY TO THOSE PROPERTIES WHICH HAVE **SUBSTANTIALLY**
13 COMPLETED RENOVATION OR REHABILITATION ON OR BEFORE
14 ~~JUNE 30, 2004.~~ **DECEMBER 31, 2005.**

15 (2) THE GRANTING OF A BUSINESS IMPROVEMENT INCENTIVE TAX
16 CREDIT BY THE RESPECTIVE MUNICIPALITY **IN AN AMOUNT WHICH**
17 **IS NOT LESS THAN THE CREDIT DESCRIBED IN SECTION C.(1)**
18 SHALL BE A PREREQUISITE TO THE COUNTY TAX CREDIT.

1 **SECTION 2.** BE IT FURTHER ENACTED, THAT THE PROVISIONS OF THIS ACT
2 SHALL APPLY TO TAXES LEVIED BEGINNING ON JULY 1, 2003 AND SHALL BE
3 APPLICABLE TO THE SUBSEQUENT TAX YEARS ON OR AFTER JULY 1, 2003.

4 **SECTION 3.** BE IT FURTHER ENACTED, THAT THIS ACT SHALL EXPIRE BY
5 ITS OWN TERMS AT MIDNIGHT ON JUNE 30, 2010 AND SHALL BECOME NULL AND
6 VOID AND OF NO FURTHER EFFECT ON THAT DATE AND TIME WITHOUT
7 FURTHER ACTION BEING REQUIRED.

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

10
11
12
13