



BILL SYNOPSIS

Committee: Taxation, Finance and Economic Development

Bill 20-0552

Tax Sales – Properties Exempt from Sale

Sponsor: The Council President behalf of The Administration

Introduced: July 6, 2020

Purpose:

For the purpose of extending the period within which applications may be accepted for an historic improvement tax credit; granting the Director of Planning certain administrative powers; and providing for a special effective date.

Effective: Date of enactment

Agency Reports

City Solicitor	Favorable
Department of Housing and Community Development	Favorable
Department of Finance	
Commission for Historical and Architectural Preservation	Favorable
Planning Commission	Favorable

Analysis

Background

In 1996, the Mayor and City Council established the Baltimore City Tax Credit program for Historic Restorations and Rehabilitations. Since its original enactment date, the program has been extended four times, most recently in 2016. During the 23-year life-span of this program over \$1 billion dollars have been invested in Baltimore's historic properties. The goal of the CHAP credit is:

“To help preserve and revitalize Baltimore's neighborhoods by encouraging home and business owners to make special efforts to restore or rehabilitate historic buildings.” Recent work by the Advisory Group for this report has suggested a slightly amended goal, “The goal of this program is to help preserve and revitalize Baltimore's neighborhoods by encouraging the rehabilitation of historic structures to promote the equitable and inclusive economic growth and vitality of the City of Baltimore.”

Tax Credit Program

To qualify for a CHAP credit, a property must be classified as a “historic property” and certified by CHAP as contributing to the historic significance of the district. The project is eligible if it includes a plan for “significant improvements,” meaning improvements, restoration, or rehabilitation for which the total documented construction costs equal or exceed 25% of a property's full cash value before commencement of the improvements, restoration, or rehabilitation. These improvements must be reviewed and approved by CHAP prior to the commencement of any work.

As stated above, this program has not been extended since 2016, and is currently set to expire on February 21, 2021. If enacted, this legislation would extend this tax credit program an additional year to February of 2022. The legislation also extends administrative authority to the Director of Planning to carry out the adoption of rules and regulations, settle disputes in reference to the credit, and to delegate powers and duties in this section to any employee or agency of the city.

Additional Information

Fiscal Note: Not Available

Information Source(s): Agency Reports

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