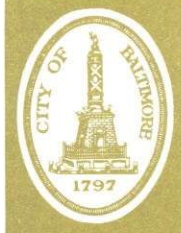


*Andrew Klein*

<b>FROM</b>	NAME & TITLE	Andrew W. Kleine, Budget Chief
	AGENCY NAME & ADDRESS	Department of Finance Room 432 City Hall (396-4941)
	SUBJECT	City Council Bill No. 14-0335 – Newly Constructed Tax Credit - Reauthorization

CITY of  
BALTIMORE  
**MEMO**



**TO**

DATE: April 25, 2014

Honorable President and  
Members of the City Council  
C/O Karen Randle  
Room 409, City Hall

City Council Bill 14-0335 extends the current sunset date for the Newly Constructed tax credit program from June 30, 2014 until June 30, 2019. Current law establishes a 90 day application period after the settlement of the property. While previous legislation had created a one-time amnesty period for qualified owners who failed to apply within the time allowed under the initial version of this law, this legislation repeals those provisions and eliminates the amnesty period language.

This program started in Fiscal 1995 with the purpose of encouraging the construction and purchase of new homes in the City. The Newly Constructed tax credit program provides a 5-year tax credit applicable to the taxable value of newly constructed or substantially rehabilitated dwellings that have been cited as being vacant and abandoned for more than one year. The credit granted is 50% of the taxable value for the first year, followed by an annual decline of ten percentage points thereafter.

The Newly Constructed Dwelling Tax Credit is subject to annual analysis by the Finance Department. Findings from this review are reported to the Board of Estimates and to the Mayor and City Council in the annual Executive Summary of the budget.

Recommendation

The Finance Department defers to the Department of Planning regarding the amendments proposed by City Council Bill 14-0335.

cc: Henry Raymond  
William Voorhees  
Angela Gibson

RECEIVED  
APR 25 2014  
BALTIMORE CITY CLERK  
PRESIDENT'S OFFICE  
*Defers to Plan*