

**CITY OF BALTIMORE  
COUNCIL BILL 19-0414  
(First Reader)**

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Introduced by: Councilmembers Costello, Schleifer, Henry, Clarke, Burnett, Sneed, Cohen,  
Bullock, McCray, Stokes, President Scott, Councilmembers Reisinger, Pinkett

Introduced and read first time: July 22, 2019

Assigned to: Taxation, Finance and Economic Development Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Housing and Community  
Development, Baltimore Development Corporation, Department of Planning, Department of  
Finance, Board of Estimates

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A BILL ENTITLED

1 AN ORDINANCE concerning

2 **High-Performance Newly Constructed Dwellings – Property Tax Credit**

3 FOR the purpose of establishing a property tax credit for high-performance newly constructed  
4 dwellings; imposing certain limitations, conditions, and qualifications for credit eligibility;  
5 providing for the amount, duration, and administration of the credit; defining certain terms,  
6 providing for a special effective date; and generally relating to a property tax credit for high-  
7 performance newly constructed dwellings.

8 BY authority of  
9 Tax-Property Article  
10 Section 9-242  
11 Maryland Code

12 BY adding  
13 Article 28 - Taxes  
14 Section 10-31  
15 Baltimore City Code  
16 (Edition 2000)

17 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the  
18 Laws of Baltimore City read as follows:

19 **Baltimore City Code**

20 **Article 28. Taxes**

21 **Subtitle 10. Credits**

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

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**§ 10-31. HIGH-PERFORMANCE NEWLY CONSTRUCTED DWELLINGS.**

(A) *DEFINITIONS.*

(1) *IN GENERAL.*

IN THIS SECTION, THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED.

(2) *HIGH-PERFORMANCE.*

“HIGH-PERFORMANCE” MEANS MEETING THE PERFORMANCE STANDARDS SET FORTH IN STATE TAX-PROPERTY ARTICLE § 9-242(A) {“HIGH PERFORMANCE BUILDING” DEFINED”}.

(3) *NEWLY CONSTRUCTED DWELLING.*

“NEWLY CONSTRUCTED DWELLING” HAS THE MEANING STATED IN STATE TAX-PROPERTY ARTICLE § 9-304(D) {“NEWLY CONSTRUCTED DWELLINGS”}.

(4) *OWNER.*

“OWNER” HAS THE MEANING STATED IN STATE TAX-PROPERTY ARTICLE § 9-304(D) {“NEWLY CONSTRUCTED DWELLINGS”}.

(B) *CREDIT GRANTED.*

THERE IS ESTABLISHED A PROPERTY TAX CREDIT, AS AUTHORIZED IN STATE TAX-PROPERTY ARTICLE § 9-242, AGAINST THE PROPERTY TAX IMPOSED ON HIGH-PERFORMANCE NEWLY CONSTRUCTED DWELLINGS THAT ARE OWNED BY QUALIFYING OWNERS.

(C) *QUALIFICATIONS.*

THE OWNER OF A HIGH-PERFORMANCE NEWLY CONSTRUCTED DWELLING MAY QUALIFY FOR THE TAX CREDIT AUTHORIZED BY THIS SECTION BY:

(1) PURCHASING A HIGH-PERFORMANCE NEWLY CONSTRUCTED DWELLING;

(2) OCCUPYING THAT DWELLING AS HIS OR HER PRINCIPAL RESIDENCE;

(3) FILING AN APPLICATION FOR THE CREDIT EITHER:

(I) WITHIN 90 DAYS AFTER SETTLING ON THE PURCHASE OF THE DWELLING; OR

(II) WITHIN 90 DAYS OF THE ENACTMENT OF THIS ORDINANCE IF SETTLEMENT ON THE PURCHASE OF THE DWELLING OCCURRED AFTER MARCH 31, 2019;

(4) FOR EACH TAXABLE YEAR FOR WHICH THE CREDIT IS SOUGHT, FILING A STATE INCOME TAX RETURN AS A RESIDENT OF BALTIMORE CITY;

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1 (5) SATISFYING ALL OTHER CONDITIONS IMPOSED BY THE REGULATIONS OF THE  
2 DIRECTOR OF FINANCE; AND

3 (6) NOT CURRENTLY RECEIVING THE CREDIT AUTHORIZED BY § 10-5 OF THIS SUBTITLE  
4 {"NEWLY CONSTRUCTED DWELLINGS"}.

5 (D) *AMOUNT OF CREDIT.*

6 A PROPERTY TAX CREDIT GRANTED UNDER THIS SECTION SHALL EQUAL THE AMOUNT OF  
7 PROPERTY TAX IMPOSED ON THE REAL PROPERTY, LESS THE AMOUNT ON ANY OTHER  
8 CREDIT APPLICABLE IN THAT YEAR, MULTIPLIED BY:

9 (1) 50% FOR THE 1ST FULL TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR  
10 THE TAX CREDIT;

11 (2) 40% FOR THEN 2ND FULL TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR  
12 THE TAX CREDIT;

13 (3) 30% FOR THE 3RD FULL TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR  
14 THE TAX CREDIT;

15 (4) 20% FOR THE 4TH FULL TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR  
16 THE TAX CREDIT;

17 (5) 10% FOR THE 5TH FULL TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR  
18 THE TAX CREDIT; AND

19 (6) 0% FOR EACH TAXABLE YEAR THEREAFTER.

20 (E) *RULES AND REGULATIONS.*

21 (1) THE DIRECTOR OF FINANCE SHALL ADOPT REGULATIONS TO CARRY OUT THE  
22 PROVISIONS OF THIS SECTION.

23 (2) THESE REGULATIONS SHALL INCLUDE PROCEDURES NECESSARY AND APPROPRIATE FOR  
24 THE SUBMISSION OF AN APPLICATION FOR AND THE GRANTING OF A PROPERTY TAX  
25 CREDIT UNDER THIS SECTION.

26 (F) *REPORTING CREDITS.*

27 THE ESTIMATED AMOUNT OF ALL TAX CREDITS RECEIVED BY OWNERS UNDER THIS  
28 SECTION IN ANY FISCAL YEAR:

29 (1) SHALL BE REPORTED BY THE DIRECTOR OF FINANCE OF BALTIMORE CITY AS A  
30 "TAX EXPENDITURE" FOR THAT FISCAL YEAR; AND

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1 (2) SHALL BE INCLUDED IN THE PUBLICATION OF THE CITY’S BUDGET FOR ANY  
2 SUBSEQUENT FISCAL YEAR WITH THE ESTIMATED OR ACTUAL CITY PROPERTY TAX  
3 REVENUE FOR THE APPLICABLE FISCAL YEAR.

4 (G) *ANNUAL REPORT.*

5 THE DIRECTOR OF FINANCE SHALL REPORT ANNUALLY TO THE BOARD OF ESTIMATES AND  
6 TO THE MAYOR AND CITY COUNCIL ANY RESULTS AND FINDINGS OF ANY ANALYSIS OF THE  
7 TAX CREDIT, INCLUDING THE STEPS TAKEN AND PROPOSED TO BE TAKEN TO PROMOTE AND  
8 OTHERWISE FURTHER THE USE OF THE TAX CREDIT PROGRAM.

9 (H) *TERMINATION OF PROGRAM.*

10 AFTER JUNE 30, 2024, ADDITIONAL OWNERS OF HIGH-PERFORMANCE NEWLY  
11 CONSTRUCTED DWELLINGS MAY NOT APPLY FOR A CREDIT UNDER THIS SECTION.

12 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance  
13 are not law and may not be considered to have been enacted as a part of this or any prior  
14 Ordinance.

15 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30<sup>th</sup> day  
16 after the date it is enacted.