

**CITY OF BALTIMORE
COUNCIL BILL 16-0736
(First Reader)**

Introduced by: The Council President

At the request of: The Administration (Baltimore Development Corporation)

Introduced and read first time: September 12, 2016

Assigned to: Judiciary and Legislative Investigations Committee

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

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Tax Credits – High-Performance Market-Rate Rental Housing**

3 FOR the purpose of modifying certain provisions concerning the determination of the amount of
4 credit to be granted for the High-Performance Market-Rate Rental Housing Tax Credit for
5 Targeted Areas and for Citywide Areas; and providing that the Director of Finance may adopt
6 rules and regulations for granting partial credits for eligibility for less than a full taxable year.

7 BY authority of

8 Article - Tax-Property

9 Section(s) 9-242

10 Baltimore City Code

11 (Edition 2000)

12 BY repealing and reordaining, with amendments

13 Article 28 - Taxes

14 Section(s) 10-17(d)(1) and (j)(1) and 10-18(d)(1) and (k)(1)

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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§ 10-17. High-performance market-rate rental housing – Targeted areas.

(d) *Amount of credit.*

(1) The amount of the credit shall equal a percentage, as specified in paragraph (2) of this subsection, of [the difference between]:

(i) IF THE PROPERTY IS STILL IN THE ASSESSMENT CYCLE OF THE FIRST ASSESSMENT OF THE COMPLETED PROJECT FOLLOWING THE ISSUANCE OF AN OCCUPANCY PERMIT, THE DIFFERENCE BETWEEN the property tax liability that, but for the tax credit, [would be owed for the first full tax year on the first assessment after issuance of an occupancy permit for the completed project; and] IS OWED IN THE CURRENT YEAR OF THE ASSESSMENT CYCLE, AND THE TOTAL PROPERTY TAX LIABILITY ON THE ASSESSED VALUE OF THE PROPERTY PRIOR TO THE COMMENCEMENT OF THE PROJECT; OR

(ii) [the property tax liability that would have been owed if the project had not been made.] IF THE PROPERTY IS NO LONGER IN THE ASSESSMENT CYCLE OF THE FIRST ASSESSMENT OF THE COMPLETED PROJECT FOLLOWING THE ISSUANCE OF AN OCCUPANCY PERMIT, THE DIFFERENCE BETWEEN THE PROPERTY TAX LIABILITY THAT, BUT FOR THE TAX CREDIT, WAS OWED IN THE FINAL YEAR OF THAT ASSESSMENT CYCLE, AND THE TOTAL PROPERTY TAX LIABILITY ON THE ASSESSED VALUE OF THE PROPERTY PRIOR TO THE COMMENCEMENT OF THE PROJECT.

...

(j) *Administration.*

The Director of Finance may:

(1) adopt rules and regulations to carry out the provisions of this section, INCLUDING PROCEDURES FOR GRANTING PARTIAL CREDITS FOR ELIGIBILITY FOR LESS THAN A FULL TAXABLE YEAR;

...

§ 10-18. High-performance market-rate rental housing – Citywide.

(d) *Amount of credit.*

(1) The amount of the credit shall equal a percentage, as specified in paragraph (2) of this subsection, of [the difference between]:

(i) IF THE PROPERTY IS STILL IN THE ASSESSMENT CYCLE OF THE FIRST ASSESSMENT OF THE COMPLETED PROJECT FOLLOWING THE ISSUANCE OF AN OCCUPANCY PERMIT, THE DIFFERENCE BETWEEN the property tax liability that, but for the tax credit, [would be owed for the first full tax year on the first assessment after issuance of an occupancy permit for the completed project; and] IS OWED IN THE CURRENT YEAR OF THE ASSESSMENT CYCLE, AND THE TOTAL PROPERTY TAX LIABILITY ON THE ASSESSED VALUE OF THE PROPERTY PRIOR TO THE COMMENCEMENT OF THE PROJECT; OR

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1 (ii) [the property tax liability that would have been owed if the project had not
2 been undertaken.] IF THE PROPERTY IS NO LONGER IN THE ASSESSMENT CYCLE
3 OF THE FIRST ASSESSMENT OF THE COMPLETED PROJECT FOLLOWING THE
4 ISSUANCE OF AN OCCUPANCY PERMIT, THE DIFFERENCE BETWEEN THE
5 PROPERTY TAX LIABILITY THAT, BUT FOR THE TAX CREDIT, WAS OWED IN THE
6 FINAL YEAR OF THAT ASSESSMENT CYCLE, AND THE TOTAL PROPERTY TAX
7 LIABILITY ON THE ASSESSED VALUE OF THE PROPERTY PRIOR TO THE
8 COMMENCEMENT OF THE PROJECT.

9 . . .

10 (k) *Administration.*

11 The Director of Finance may:

12 (1) adopt rules and regulations to carry out the provisions of this section, INCLUDING
13 PROCEDURES FOR GRANTING PARTIAL CREDITS FOR ELIGIBILITY FOR LESS THAN A
14 FULL TAXABLE YEAR;

15 . . .

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

19 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th day
20 after the date it is enacted.