

CITY OF BALTIMORE
ORDINANCE _____
Council Bill 19-0414

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

Committee Report: Favorable with amendments

Council action: Adopted

Read second time: August 19, 2019

AN ORDINANCE CONCERNING

High-Performance Newly Constructed Dwellings – Property Tax Credit

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

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

BY adding
Article 28 - Taxes
Section 10-31
Baltimore City Code
(Edition 2000)

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

Baltimore City Code

Article 28. Taxes

Subtitle 10. Credits

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.

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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~~ JULY 1, 2018;

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

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

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

7 (D) *AMOUNT OF CREDIT.*

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

11 (1) 50% FOR THE 1ST FULL TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR
12 THE TAX CREDIT;

13 (2) 40% FOR THEN 2ND FULL TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR
14 THE TAX CREDIT;

15 (3) 30% FOR THE 3RD FULL TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR
16 THE TAX CREDIT;

17 (4) 20% FOR THE 4TH FULL TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR
18 THE TAX CREDIT;

19 (5) 10% FOR THE 5TH FULL TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR
20 THE TAX CREDIT; AND

21 (6) 0% FOR EACH TAXABLE YEAR THEREAFTER.

22 (E) *RULES AND REGULATIONS.*

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

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

28 (F) *REPORTING CREDITS.*

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

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

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

6 (G) *ANNUAL REPORT.*

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

11 (H) *TERMINATION OF PROGRAM.*

12 AFTER JUNE 30, ~~2024~~ 2021, ADDITIONAL OWNERS OF HIGH-PERFORMANCE NEWLY
13 CONSTRUCTED DWELLINGS MAY NOT APPLY FOR A CREDIT UNDER THIS SECTION.

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

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

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Certified as duly passed this _____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,

this _____ day of _____, 20__

Chief Clerk

Approved this _____ day of _____, 20__

Mayor, Baltimore City