

**CITY OF BALTIMORE
COUNCIL BILL 15-0585
(First Reader)**

Introduced by: The Council President

At the request of: The Administration (Planning Department)

Introduced and read first time: November 2, 2015

Assigned to: Taxation, Finance and Economic Development Committee

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

A BILL ENTITLED

1 AN ORDINANCE concerning

2 style="text-align:center">**Tax Credits – Historic Properties**

3 FOR the purpose of extending the period within which applications may be accepted for an
4 historic improvement tax credit; clarifying the definition of “eligible improvements”;
5 restating the purpose and goal of this credit; modifying certain criteria for a credit limitation
6 imposed on development projects that exceed a certain amount in construction costs;
7 modifying certain procedures for adopting rules and regulations governing the credit;
8 providing for a special effective date; and generally relating to the property tax credit for
9 improvements, restorations, and rehabilitations to historic properties.

10 BY repealing and reordaining, with amendments

11 Article 28 - Taxes
12 Section 10-8(a)(3), (b), (f)(1) and (2), and (m)
13 Baltimore City Code
14 (Edition 2000)

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

17 style="text-align:center">**Baltimore City Code**

18 style="text-align:center">**Article 28. Taxes**

19 style="text-align:center">**Subtitle 10. Credits**

20 **§ 10-8. Historic improvements, restorations, and rehabilitations.**

21 (a) *Definitions.*

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

Council Bill 15-0585

1 (3) *Eligible improvements.*

2 "Eligible improvements" means significant improvements to an historic property
3 THAT HAVE BEEN APPROVED BY CHAP AS MEETING LOCAL PRESERVATION
4 STANDARDS.

5 (b) *Program goal.*

6 The goal of this program is to help preserve AND REVITALIZE Baltimore's neighborhoods
7 by encouraging home and business owners to make special efforts to restore or
8 rehabilitate historic buildings.

9 (f) *Amount of credit – Limitation on projects more than [\$3.5] \$5 million in construction*
10 *costs.*

11 (1) For development projects exceeding [\$3.5] \$5 million in documented construction
12 costs, the tax credit is limited to the following percentages of the amount computed
13 under subsection (e) of this section:

- 14 (i) in years 1 through 5 - 80%
- 15 (ii) in year 6 - 70%
- 16 (iii) in year 7 - 60%
- 17 (iv) in year 8 - 50%
- 18 (v) in year 9 - 40%
- 19 (vi) in year 10 - 30%.

20 (2) To be eligible for this limited tax credit:

21 (i) the developer must:

- 22 (A) submit all documents requested by the Finance Director; and
- 23 (B) submit documentation reviewed by the developer with the State
24 Department of Assessments and Taxation to support a preliminary
25 estimate of value for tax purposes based on construction costs and
26 projected income; and

27 (ii) either:

- 28 (A) the existing building in question must have been at least 75% vacant
29 for at least 3 years;

Council Bill 15-0585

1 (B) THE PROJECT IS A HIGH-PERFORMANCE MARKET-RATE RENTAL
2 HOUSING PROJECT, AS THESE TERMS ARE DEFINED IN § 10-18 (A)(2)
3 {"DEFINITIONS: HIGH-PERFORMANCE"} AND (A)(3) {"DEFINITIONS:
4 MARKET-RATE RENTAL HOUSING PROJECT"} OF THIS SUBTITLE; or

5 (C) [(B)] the developer must otherwise demonstrate to the Finance
6 Director that the credit is necessary in order for the project to proceed.

7 (m) *Termination of program.*

8 Applications for a credit under this section may not be accepted after [February 29, 2016]
9 FEBRUARY 28, 2021.

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

13 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect February 29,
14 2016.