


FROM	NAME & TITLE	ERIC L. HOLCOMB, CO-DIRECTOR	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	COMMISSION FOR HISTORICAL AND ARCHITECTURAL PRESERVATION 8 TH FLOOR, 417 EAST FAYETTE STREET		
	SUBJECT	CITY COUNCIL BILL #14-0399/ TAX CREDITS – HISTORIC PROPERTIES – CALCULATION		

TO

DATE:

The Honorable President and
 Members of the City Council
 City Hall, Room 400
 100 North Holliday Street

July 11, 2014

At its regular meeting of July 8, 2014, the Commission for Historical and Architectural Preservation considered City Council Bill #14-0399, for the purpose of amending the City Code provisions that govern the tax credit for historic improvements, restorations, and rehabilitations to incorporate new requirements enacted by Chapters 193 and 194, 2014 Acts of the General Assembly; requiring a certain calculation and value to be determined by the State Department of Assessment and Taxation and a certain calculation and value to be determined by certain professional appraisers; defining certain additional terms; correcting, clarifying, conforming, and reorganizing related language and provisions; and generally relating to a property tax credit for historic properties.

In its consideration of this Bill, the Commission for Historical and Architectural Preservation reviewed the attached staff report which recommended approval of City Council Bill #14-0399 and adopted the following resolution; eight members being present (eight in favor).

RESOLVED, That the Commission for Historical and Architectural Preservation concurs with the recommendation of its departmental staff, and supports City Council Bill #14-0399.

If you have any questions, please contact Mr. Eric Holcomb, Executive Co-Director, at 410-396-4866.

Attachment

cc: Ms. Kaliope Parthemos, Chief of Staff
 Mr. Colin Tarbert, Deputy Chief for Economic and Neighborhood Development
 Ms. Angela Gibson, Mayor's Office
 Mr. William Voorhees, Dept. of Finance
 Ms. Elena DiPietro, Law Dept.
 Ms. Karen Randle, Council Services

Staff Report – July 8, 2014
City Council Bill #14-0399
Amendments to Article 28-10 of the Baltimore City Code
Baltimore City Tax Credit for Historic Rehabilitations and Restorations

Request: Prepare a Report to the City Council regarding the proposed changes to the Bill
Staff: Stacy Montgomery

Background

On June 19, 2014, the City Council President referred City Council Bill 14-0399 to CHAP. This bill pertains to an amendment of the City Code Provisions that govern the tax credit for historic improvements, restorations and rehabilitations to incorporate new credit calculation methodology requirements in keeping with the 2014 decision of the Maryland General Assembly, as well as correcting, clarifying and conforming certain terms, related language and provisions within this chapter of the City Code.

Request

The Commission is asked to submit a report to the City Council regarding the proposed changes and amendments put forth in City Council Bill 14-0399, Amendments to Article 28-10 of the Baltimore City Code: Baltimore City Tax Credit for Historic Rehabilitations and Restorations.

The amendments within the bill include:

1. Amend Section E- *Amount of Credit*- In General, adding two subcategories, for credits granted before October 1, 2014 (1) and for credits granted after October 1, 2014 (2). The calculation for the credits granted before October 1, 2014 will remain based upon a pre- and post -rehab assessment by the State Department of Assessment and Taxation. Credits granted after October 1, 2014 will be calculated based on a pre- and post-rehab appraisal by a City Appraiser. Subsection 2 incorporates the requirements enacted by Chapters 193 and 194, 2014 Acts of the General Assembly.
2. Amend Section E- *Amount of Credit*- In General, adding subcategory 6, which prevents a reduction of the tax liability after the application of the credit to be less than the tax liability before the improvements were made.
3. Correct, clarify, conform and reorganize language and provisions within the Bill (no substantive changes), including:
 - a. Add definition of “CHAP”
 - b. Clarify the definition of “Eligible Improvements”
 - c. Clarify definition of “Historic Property”
 - d. Clarify the definition of “Significant Improvements”
 - e. Relocation of “CHAP Approval Required” (reorganization for better clarity).

The proposed changes to the Bill are attached.

Staff Analysis

This Bill amends the language in the historic tax credit legislation to bring it into consistency with the “appraisal” method of calculation approved by the Maryland General Assembly earlier this year. This would take effect October 1, 2014 and would change the method of credit calculation from a pre- and post-rehab assessment from SDAT to a pre- and post – rehab appraisal by an appraiser hired by the City. The intention is to provide consistent, reliable, timely and accurate information on the value of each property before and after the rehabilitation takes place.

The other goal of these amendments is to clarify, correct, conform and reorganize the language and provisions within the legislation to be sure it is in keeping with other CHAP legislation and that it clearly communicates the goals and requirements of the program. This does not include any substantive changes. In some cases definitions are expanded, cleaned up or moved to another section where they make the most sense. Since the legislation was drafted in 1996 it has not undergone this type of thorough review.

None of the proposed changes will adversely impact the program goal, to “help preserve Baltimore’s neighborhoods by encouraging home and business owners to make special efforts to restore or rehabilitate historic buildings.

Staff Recommendation: Approve