



Legislation Details (With Text)

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Title: High-Performance Newly Constructed Dwellings - Clarifications
Sponsors: Eric T. Costello, Isaac "Yitzy" Schleifer, Zeke Cohen, John T. Bullock, Phylicia Porter, Sharon Green
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Table with 5 columns: Date, Ver., Action By, Action, Result. Rows include dates from 4/5/2021 to 6/14/2021 and actions like 'Introduced', 'Assigned', 'Refer to Dept. of Finance', 'Signed by Mayor', 'Pass'.

Explanation: Capitals indicate matter added to existing law. [Brackets] indicate matter deleted from existing law.

\* Warning: This is an unofficial, introductory copy of the bill. The official copy considered by the City Council is the first reader copy.

Introductory\*

## Council Bill

Introduced by: Councilmember Costello

A Bill Entitled

An Ordinance concerning

### **High-Performance Newly Constructed Dwellings - Clarifications**

For the purpose of revising the definition of “newly constructed”; clarifying and extending the tax credit qualification deadlines for certain high-performance newly constructed dwellings; clarifying the termination of the tax credit program; conforming and clarifying related provisions; defining a certain term; and providing for a special effective date.

By repealing and re-ordaining, with amendments

Article 28 - Taxes  
Section(s) 10-18.1  
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**

### **§ 10-18.1. 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”}.]

(i) *In general.*

“Newly constructed dwelling” means residential real property:

(A) that has not been previously occupied since its construction; and

(B) for which the building permit for construction was issued on or after October 1, 1994.

(ii) *Inclusion.*

“Newly constructed dwelling” includes a vacant dwelling that:

- (A) has been rehabilitated in compliance with applicable local laws and regulations; and
- (B) has not been previously occupied since the rehabilitation.

(4) *Owner.*

“Owner” has the meaning stated in State Tax-Property Article \_ 9-304(d) {“Newly constructed dwellings”}.

(5) *Vacant dwelling.*

“Vacant dwelling” means residential real property that:

- (i) contains no more than 4 dwelling units as defined in § 202.2 of the Baltimore City Building Code; and

(ii) either:

(A) had been cited with a vacant building notice that remained unabated until the rehabilitation described in paragraph (3)(ii)(a); or

(B) has been owned by the Mayor and City Council of Baltimore City for 1 year and is in need of substantial repair to comply with applicable city codes.

(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) if settlement on the purchase of the dwelling occurred after July 1, 2018, no later than February 29, 2020];
- (4) for each taxable year for which the credit is sought, filing a state income tax return as a resident of Baltimore City;
- (5) satisfying all other conditions imposed by the regulations of the Director of Finance; and

- (6) not currently receiving the credit authorized by § 10-5 of this subtitle {"Newly constructed dwellings"}.

(d) *Amount of credit.*

A property tax credit granted under this section shall equal the amount of City property tax imposed on the real property, less the amount of any other credit applicable in that year, multiplied by:

- (1) 50% for the 1st full taxable year in which the property qualifies for the tax credit;
- (2) 40% for then 2nd full taxable year in which the property qualifies for the tax credit;
- (3) 30% for the 3rd full taxable year in which the property qualifies for the tax credit;
- (4) 20% for the 4th full taxable year in which the property qualifies for the tax credit;
- (5) 10% for the 5th full taxable year in which the property qualifies for the tax credit; and
- (6) 0% for each taxable year thereafter.

(e) *Rules and regulations.*

- (1) Subject to Title 4 {"Administrative Procedure Act - Regulations"} of the City General Provisions Article, the Director of Finance shall adopt rules and regulations to carry out the provisions of this section.
- (2) These regulations shall include procedures necessary and appropriate for the submission of an application for and the granting of a property tax credit under this section.

(f) *Reporting credits.*

The estimated amount of all tax credits received by owners under this section in any fiscal year:

- (1) shall be reported by the Director of Finance of Baltimore City as a "tax expenditure" for that fiscal year; and
- (2) shall be included in the publication of the City's budget for any subsequent fiscal year with the estimated or actual City property tax revenue for the applicable fiscal year.

(g) *Annual report.*

The Director of Finance shall report annually to the Board of Estimates and to the Mayor and City Council any results and findings of any analysis of the tax credit, including the steps taken and proposed to be taken to promote and otherwise further the use of the tax credit program.

(h) *Termination of program.*

Notwithstanding any other provision of this section [After June 30, 2021], additional owners whose settlement on the purchase of a high-performance newly constructed [dwellings] dwelling occurs after June 30, 2022 may not apply for a credit under this section

**Section 2. And be it further ordained,** That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

**Section 3. And be it further ordained,** That, if settlement on the purchase of the high-performance newly constructed dwelling occurred prior to the enactment of this Ordinance and if the building permit for construction of the high-performance newly constructed dwelling was issued on or after July 1, 2019 but before July 1, 2020, an application for a tax credit under Section 1 of this Ordinance must be filed no later than December 31, 2021.

**Section 4. And be it further ordained,** That this Ordinance takes effect on the date it is enacted.