

ORDINANCE NO. 2015-06

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF FROSTBURG, MARYLAND, ENTITLED, "AN ORDINANCE TO PROVIDE A PROPERTY TAX CREDIT FOR THE REHABILITATION OF COMMERCIAL STRUCTURES IN WHICH CERTAIN QUALIFYING INVESTMENTS FOR THE ADAPTIVE REUSE OF SUCH STRUCTURES ARE MADE, SO AS TO PROVIDE THAT THE AVAILABILITY OF THE TAX CREDIT ENACTED HEREIN IS RESTRICTED TO PROPERTY OWNERS WHO REMAIN CURRENT ON THE TAXES ASSESSED AGAINST THE PROPERTY FOR WHICH THE TAX CREDIT IS SOUGHT."

WHEREAS: Section 9-256 to the Tax-Property Article of the Annotated Code of Maryland, authorizes county and municipal governments to grant, by law, a property tax credit against the county or municipal property tax imposed on an existing commercial structure in which a qualifying investment is made for the purpose of allowing for adaptive reuse of the structure;

WHEREAS: The new law states that County and municipal governments may provide, by law, for (1) the maximum amount of the tax credit that may be provided to a single recipient or all recipients in a taxable year; (2) additional eligibility criteria for the tax credit; (3) regulations and procedures for the application and uniform processing of requests for the tax credit; and (4) any other provision necessary to carry out the tax credit; and

WHEREAS: The purpose of this Ordinance is to enact provisions which allow for a local property tax credit consistent with the foregoing.

NOW, THEREFORE BE IT RESOLVED, that the Mayor and City Council of Frostburg, Maryland, in consideration of the foregoing do hereby amend the City Code of the City of Frostburg as follows:

Article X. – Tax credit – Rehabilitation of commercial structures.

- (a) Pursuant to the authority contained in Md. Tax-Prop. Code Ann. § 9-256, there shall be credit against the property tax imposed on an existing commercial structure in which a qualifying investment is made for the purpose of allowing for adaptive reuse of the structure.
- (b) In this section, "qualifying investment" means the cost of installation or rehabilitation of building features for the purpose of bringing an existing commercial structure into compliance with current building codes relating to safety or accessibility. "Qualifying investment" includes costs incurred for:
 - (i) elevators;
 - (ii) fire suppression systems;
 - (iii) means of ingress or egress; or
 - (iv) architectural or engineering services related to installation or rehabilitation of these or similar building features.
- (c) The tax credit under this section may:
 - (1) not exceed 50% of the amount of qualifying investment in a structure;
 - (2) not exceed the assessed value of the structure; and
 - (3) be granted for up to a 10-year period in an equal amount each year.

- (d) The tax credit under this section shall not be available for commercial structures or parts thereof which do not comply with current building code standards if they were constructed or improved when those standards were in place. Nevertheless, it shall be available as to those portions of a commercial structure that were built before such standards became effective.
- (e) A qualifying investment of no less than \$25,000.00 is required in order to be eligible for the tax credit provided for herein.
- (f) The applicant must provide a detailed adaptive reuse plan to the Director of Community Development. The plan shall include the estimated total investment that will be made to the building, the estimated assessed value of the building at the completion of the project, the timeline for construction, the intended use(s) of the building, potential tenant(s) of the building, the area of building space that will be improved for occupancy, and the number of temporary and permanent jobs that will be created as a result of the project. The plan shall be approved by the Director of Community Development and the Director of Finance prior to the authorization of the tax credit.
- (g) Eligibility for real property tax credit—Condition.

In order to be otherwise eligible for a real property tax credit, a property owner must remain current in any taxes assessed against the property for which the tax credit is sought.

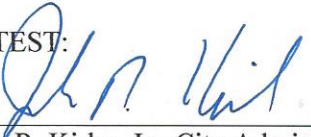
Introduced: December 17, 2105
Public Hearing: January 28, 2016
Adopted: January 28, 2016
Effective: February 17, 2016

FROSTBURG MAYOR AND CITY COUNCIL

By: 

W. Robert Flanigan, Mayor

ATTEST:


John R. Kirby, Jr., City Administrator