

ORDINANCE NO. ORD-06-11

**AN ORDINANCE TO PROVIDE TAX CREDIT FOR RESIDENTIAL
REHABILITATION WITHIN THE COMMUNITY LEGACY AREA
OF THE CITY OF HAGERSTOWN**

RECITALS

By virtue of the authority contained in Section 9-236 of the Tax-Property Article of the Annotated Code of Maryland (2002, 2006 Supp.), a local government is authorized to adopt a local program to provide tax credits to owners of real property that is rehabilitated in accordance with regulations adopted by the local government.

On or about July 25, 2006, the City Council of the City of Hagerstown ("the City Council") adopted an ordinance providing a tax credit against City property tax to owners of real property that rehabilitate their real property in accordance with regulations adopted by the City Council.

The Board of County Commissioners desires to establish a tax credit program in order to encourage property owners to rehabilitate their real property and, therefore, it is necessary to adopt an ordinance.


The purpose of this County Ordinance is to provide property tax credit against County property tax to owners of real property that rehabilitate their real property in accordance with regulations previously adopted by the City Council and adopted by the County herein.

NOW, THEREFORE, BE IT ORDAINED by the Board of County Commissioners of Washington County, Maryland, that the attached Ordinance entitled "Residential Rehabilitation Tax Credit Ordinance" be and is hereby adopted.

Adopted the 31st day of October, 2006

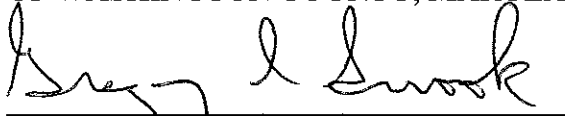
Effective the 31st day of October, 2006

ATTEST:



Joni L. Bittner, Clerk

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND



Gregory I. Snook, President

Approved as to form and legal sufficiency:



Andrew F. Wilkinson
Assistant County Attorney

Mail to:

County Attorney's Office
100 West Washington Street, Suite 202
Hagerstown, Maryland 21740-4735

RESIDENTIAL REHABILITATION TAX CREDIT ORDINANCE

Section 1. Tax Credit.

The Treasurer of Washington County, Maryland shall permit a tax credit against the County property tax to owners of real property who rehabilitate their real property in accordance with the terms of this Ordinance.

Section 2. Amount and Timing of Tax Credit.

A. The tax credit provided for herein shall be equal to the lesser of:

1. The amount of the County property tax increase attributable to the increase in the assessment of the real property over the assessment before the real property was rehabilitated, or
2. The actual cost of the qualifying improvements.

B. The tax credit shall commence on July 1st of the tax year following the completion of a rehabilitation project and shall run with the real property for a period of five (5) consecutive years.

Section 3. Requirements.

A. In conformity with the "Residential Rehabilitation Tax Credit Program" adopted by the City of Hagerstown on or about July 25, 2006, in order to receive the tax credit provided for herein, the rehabilitation of real property must meet the following eligibility requirements:

1. The building must be located in the Community Legacy Area of the City of Hagerstown as determined by the City Council.
2. The exterior of the building and all core systems must be brought up to code.
3. If alley access is available, the property owner is encouraged to create off-street parking in the rear yard for use by the building's occupants. (The City's Project Park Inside Program provides grants for such activities.)
4. If practical, ground floor bathrooms should be made handicapped accessible.
5. For rental property, written rental agreements must be put in place which identify unacceptable habitation standards for the tenants (i.e., drug dealing, other illegal activities, addition of unauthorized tenants, destruction of property, etc.).
6. No additional residential units shall be added to the property.

7. For single-family residences, the property owner must spend at least 25% of the pre-rehabilitation assessed value of the property on the improvements.
8. For multi-family residences, the property owner must spend at least \$20,000/unit for the total number of units in the building on the improvements.
9. The property owner must not be delinquent on taxes for the property.

B. The Engineering Department of the City of Hagerstown may by regulation further define eligibility requirement not inconsistent with the foregoing.

Section 4. Application Requirements.

Eligibility for the County tax credit is subject to the following application requirements.

1. The application must be filed with the Department of Planning of the City of Hagerstown by the owner of the building prior to the commencement of any rehabilitation work.
2. An on-site inspection must be conducted by the City of Hagerstown Engineering Department prior to the commencement of any rehabilitation work and immediately following such work. The final inspection will determine compliance with the program's requirements.
3. No tax credit will be granted if access to the entire property is denied to the City of Hagerstown Engineering Department for inspection.
4. All appropriate building permits must be obtained prior to commencement of any work.

Section 5. Eligibility for the Tax Credit.

A. A property owner shall be eligible for the County tax credit if the property owner is eligible for the City property tax, as determined by the Department of Planning of the City of Hagerstown.

B. Continued eligibility for the tax credit is conditioned upon the property owner submitting to the Department of Planning of the City of Hagerstown an annual self-certification application to ensure continued compliance with the programs eligibility requirements.

Section 6. Further Actions.

The Board of County Commissioners may adopt regulations to administer this Ordinance.