

ORDINANCE NO. ORD-2020-25

**AN ORDINANCE TO ENACT THE "BROWNFIELDS PROPERTY TAX CREDIT
ORDINANCE FOR WASHINGTON COUNTY, MARYLAND"**

RECITALS

Pursuant to Maryland Code, Tax-Property Article, § 9-229, the Board of County Commissioners of Washington County, Maryland (the *County*) has the authority to adopt a brownfields property tax credit ordinance that provides for the imposition of such a tax credit in Washington County and its municipalities.

The County Commissioners now wish to create a property tax credit against the increased property tax liability of a qualified Brownfields site.

A public hearing was held on July 28, 2020, following due notice and advertisement of the text of the proposed Brownfields Property Tax Credit Ordinance (the *Ordinance*).

Public comment was received, reviewed, and considered concerning the aforesaid proposed Ordinance.

The County desires to ensure that the COVID-19 pandemic does not cause applicants for the Brownfields Property Tax Credit to fail to obtain timely credits that would have been obtained had the pandemic not occurred

Section 5 of the Ordinance will forestall any negative implications of the COVID-19 pandemic by facilitating favorable treatment of applications promptly filed following adoption of the Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the Board of County Commissioners of Washington County, Maryland, that the Brownfields Property Tax Credit Ordinance for Washington County, Maryland, attached hereto, is enacted as written.

Adopted this 11th day of August, 2020.

Effective this 11th day of August, 2020.

ATTEST:

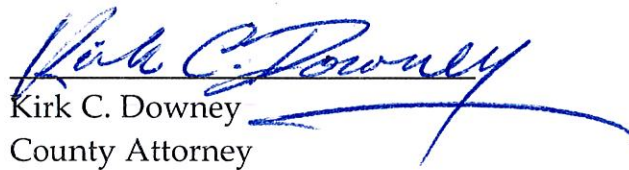
BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND



Krista L. Hart, Clerk

BY: 
Jeffrey A. Cline, President

Approved as to form
and legal sufficiency: _____


Kirk C. Downey
County Attorney

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BROWNFIELDS PROPERTY TAX CREDIT ORDINANCE
FOR WASHINGTON COUNTY, MARYLAND

Adopted August 11, 2020
Effective August 11, 2020

1. Establishment of tax credit.

1.01. In accordance with Maryland Code, Tax-Property Article, §9-229, as amended from time to time, there is a Brownfields Property Tax Credit imposed in Washington County.

2. Definitions.

2.01. The words and phrases used in this ordinance shall have their usual meaning, unless otherwise defined in this section.

2.02. *Enterprise Zone* means an area designated an enterprise zone under Section 5-704 of the Economic Development Article of the Annotated Code of Maryland.

2.03. *Increased Property Tax Liability* means the remaining property tax liability, after first applying all other property tax credits applicable to the site, attributable to the increase in the assessment of a qualified Brownfields site, including improvements added to the site within the tax credit period provided for in this section, over the assessment of the qualified Brownfields site before its voluntary cleanup or corrective action plan.

2.04. *Qualified Brownfields Site* has the meaning stated in Section 5-301 of the Economic Development Article of the Annotated Code of Maryland.

3. Calculation, Application, and Termination of Tax Credit.

3.01. *Tax Credit Imposed.* There is a Brownfields property tax credit of fifty percent (50%) against the increased property tax liability of a qualified Brownfields site.

3.02. *Additional Property Tax Credit.* A qualified Brownfields site shall receive an additional property tax credit of twenty percent (20%) against the increased property tax liability if:

(a) The cost of the voluntary cleanup or corrective action plan is more than \$1,000,000; or

(b) The qualified Brownfields site is located in an enterprise zone. However, in the event that an enterprise zone tax credit is already being applied against the county portion of the taxes for a property, the Brownfields tax credit will not apply to the county portion of the property taxes, but shall be applied against the state portion of the property taxes.

3.03. *Cost of Cleanup, Corrective Action.* The cost of the voluntary cleanup or corrective action plan shall be determined by the demonstrated costs incurred for the voluntary cleanup or corrective action plan at the time of the application for the property tax credits.

3.04. *Application and Duration of Credits.* Unless otherwise provided in this ordinance, an application for a tax credit under this section shall be filed in the first taxable year in which the property qualifies. The credits shall apply in each of the taxable years immediately following the first revaluation of the qualified Brownfields site after completion of a voluntary cleanup or corrective action plan for:

(a) five (5) taxable years; or

(b) If the qualified Brownfields site is in an enterprise zone, ten (10) taxable years.

3.05. *Maryland Economic Development Assistance Fund.* For each year of the credit period, the County shall contribute to the Maryland Economic Development Assistance Fund established under Section 5-313(8) of the Economic Development Article of the Annotated Code of Maryland an amount equal to thirty percent (30%) of a qualified Brownfields site's increased property tax liability.

3.06. *Termination.* The Brownfields property tax credit granted to a qualified Brownfields site under this section terminates if:

(a) The recipient of the Brownfields property tax credit withdraws from the voluntary cleanup program under § 7-512(a) or (b) of the Environment Article of the Annotated Code of Maryland; or

(b) The State Department of the Environment withdraws approval of a response action plan or a certificate of completion under § 7-512(e) and (f) of the Environment Article of the Annotated Code of Maryland.

4. Administration.

4.01. *Administration.* The Chief Finance Officer may adopt guidelines, regulations, or procedures to administer this section.

5. Timing of Applications.

5.01. *Applications Filed Before December 31, 2021.* Any application filed between the date of adoption of this ordinance and December 31, 2021 will be considered to have been filed as if it were timely filed in accordance with Section 3.4, even if it is filed after the deadline proscribed in that Section. Any such property for which an application is filed in accordance with this Section 5.01 shall be entitled to the full extent of the credits available under Section 3.4, as if the application had been filed in accordance with that Section. If, as of the date of filing of the application, the applicant has already paid the property tax bill for a tax year in which the tax credit would have been applied if the application had been timely filed, the unapplied tax credit amount shall be applied against the property tax bill for the tax year that follows the final year that a credit is to be applied in accordance with Section 3.4.

5.02. *Applications Filed After December 31, 2021.* For applications filed after December 31, 2021, failure to apply in the first qualifying tax year will result in the loss of the credit for that tax year.