Bill No	37-06	
Concerning:	Property Tax Cro	edit
- Green B	uildings	
Revised: 11/	30/2007	_Draft No. <u>5</u>
Introduced: _	August 1, 2006	
Enacted:	December 4, 2007	
Executive: _	December 17, 2007	<u> </u>
Effective:	March 17, 2008	
Sunset Date:	None	
Ch. 20	. Laws of Mont. Co.	2007

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Floreen, Denis, Knapp, Subin, and Council President Leventhal

## AN ACT to:

(1) provide a property tax credit for certain buildings that meet certain standards for energy and environmental design; and

(2) generally amend County law regarding property tax credits.

## By adding

Montgomery County Code Chapter 52, Taxation Section 52-18Q

[Single boldface brackets] De Double underlining Ad [[Double boldface brackets]] De	ded to existing law by original bill. leted from existing law by original bill. ded by amendment. leted from existing law or the bill by amendment. isting law unaffected by bill.
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The County Council for Montgomery County, Maryland approves the following Act:

1	Sec. 1.	. Section 52-18Q is added as follows:					
2	<u>52-18Q.</u>	Prope	Property tax credit — Energy and Environmental Design				
3	<u>(a)</u>	<u>Defini</u>	Definitions. In this section the following words have the meanings indicated:				
4		(1)	"Covered building" has the meaning stated in Section 8-48.				
5		(2)	"High	"High performance building" means [[a building that]]:			
6			[]( <u>A</u> )	is certified as achieving a silver rating for Leadership in Energy and			
7				Environmental Design - New Construction (LEED-NC) from the			
8				United	States Green Buildings Council; or		
9			(B)	meets	the standards for energy and environmental design adopted by		
10				the M	aryland Green Buildings Council]		
11			<u>(A)</u>	A cov	ered building that achieves:		
12				1_	A gold or platinum rating from the USGBC for LEED-NC,		
13					LEED-CS, or LEED-EB; or		
14				<u>2.</u>	An energy and environmental design standard that the		
15					Director of the Department of Permitting Services finds is		
16					equivalent to a gold or platinum rating from the USGBC for		
17					LEED-NC, LEED-CS, or LEED-EB; and		
18			<u>(B)</u>	<u>Any c</u>	other building that achieves:		
19				1. A silver, gold, or platinum rating from the USGBC for			
20					LEED-NC, LEED-CS, or LEED-EB; or		
21				<u>2.</u>	An energy and environmental design standard that the		
22					Director of the Department of Permitting Services finds is		
23					equivalent the silver, gold or platinum rating from the		
24					USGBC for LEED-NC, LEED-CS, or LEED-EB.		
25		<u>(3)</u>	"LEE	D-CS"	means the Leadership in Energy and Environmental Design-		
26			Core	and She	ell rating system administered by the USGBC.		
27		<u>(4)</u>	"LEE	D-EB"	means the Leadership in Energy and Environmental Design-		
28			Exist	ing Bui	ding rating system administered by the USGBC.		
29		<u>(5)</u>	" <i>LEE</i>	EED-NC" means the Leadership in Energy and Environmental Design-			
30			New	Constru	action rating system administered by the USGBC.		

31		[[(2)]]	<u>(6)</u>	"Property tax" means the general County tax and all special service
32			area ta	exes.
33		<u>(7)</u>	" <u>USG</u>	BC" means the US Green Building Council.
34	<u>(b)</u>	<u>Credit.</u>	Subje	ct to the restrictions in subsections (c) [[and (d)]] (d), and (e), the
35		Directo	or of th	ne Department of Finance must allow a tax credit each eligible year
36		agains	the pr	operty tax imposed on a high performance building.
37	(c)	<u>Applic</u>	ation. 1	A taxpayer must apply for the credit[[:
38		(1)	for a	building that is certified as achieving the silver rating for LEED-NC,
39			withir	1 year after the building is certified; or
40		<u>(2)</u>	for ar	y other building, within 1 year after a use and occupancy permit is
41			issuec	under Chapter 8.]] within 1 year after the building is certified as a
42			high r	performance building.
43	<u>(d)</u>	Amou	nt of cr	<u>edit.</u>
44		$\Pi(1)$	At the	e time of application, the taxpayer must choose to apply the credit over
45			either	5 or 10 consecutive years.
46		<u>(2)</u>	If the	tax credit is applied over 5 years, the amount of the credit each year is
47			<u>50%</u>	of the property tax owed on the building.
48		<u>(3)</u>	If the	tax credit is applied over 10 years, the amount of the credit each year is
49			<u>25%</u>	of the property tax owed on the building.]]
50		<u>(1)</u>	For a	covered building, the amount of the credit is:
51			(A)	25% of the property tax owed on the building for 5 years, if the
52				building achieves a gold rating for LEED-NC or LEED-CS or an
53				equivalent standard; or
54			<u>(B)</u>	75% of the property tax owed on the building for 5 years, if the
55				building achieves a platinum rating for LEED-NC or LEED-CS or an
56				equivalent standard:
57			(C)	10% of the property tax owed on the building for 3 years, if the
58				building achieves the gold rating for LEED-EB or an equivalent
59				standard; and

<b>50</b>			<u>(D)</u>	50% of the property tax owed on the building for 3 years, if the
61				building achieves the platinum rating for LEED-EB or an equivalent
62				standard.
63		(2)	For any	other building, the amount of the credit is:
64			<u>(A)</u>	25% of the property tax owed on the building for 5 years, if the
65				building achieves a silver rating for LEED-NC or LEED-CS or an
66				equivalent standard;
67			<u>(B)</u>	50% of the property tax owed on the building for 5 years, if the
68				building achieves a gold rating for LEED-NC or LEED-CS or an
69				equivalent standard;
70			(C)	75% of the property tax owed on the building for 5 years, if the
71				building achieves a platinum rating for LEED-NC or LEED-CS or an
72				equivalent standard;
73			<u>(D)</u>	10% of the property tax owed on the building for 3 years, if the
74				building achieves the silver rating for LEED-EB or an equivalent
75				standard;
76			Œ)	25% of the property tax owed on the building for 3 years, if the
77				building achieves the gold rating for LEED-EB or an equivalent
78				standard; and
79			Œ)	50% of the property tax owed on the building for 3 years, if the
80				building achieves the platinum rating for LEED-EB or an equivalent
81				standard.
82	<u>(e)</u>	Annu	al limits.	:
83		<u>(1)</u>	Subjec	ct to the annual limits in paragraph (2) and the carryover rules in
84			paragr	aph (3), the Director must grant credits in the order in which the
85			Depar	tment of Finance receives complete applications.
86		(2)	<u>Durin</u>	g any fiscal year the total credits granted to:
87			<u>(A)</u>	All buildings under this Section must not exceed \$5 million;
88			<u>(B)</u>	Buildings that achieve a silver rating or equivalent standard must not
89				exceed \$1.5 million; and

<del>3</del> 0			<u>(C)</u>	Buildings that ach	ieve a gold rating or	equivalent standard must not
91				exceed \$2.5 million	<u>n.</u>	
92		<u>(3)</u>	A cor	nplete application th	nat, if granted, would	cause any of the limits set in
93			parag	raph (2) to be excee	ded, must be granted in	n the next fiscal year or years
94			based	on the order in	which the Departme	nt of Finance received the
95			appli	cation.		
96	<u>(f)</u>	Regula	tions.	The County Execu	ıtive may issue regul	dations under method (2) to
97		<u>admin</u>	ister th	is tax credit.		
98	Sec. 2.	. [[Retr	oactiv	ity]] <u>Applicability</u> .		
99	[[Notw	vithstan	ding s	ubsection (c) of Sect	tion 52-18Q as added	by Section 1 of this Act, if a
100	high performa	ınce bui	lding '	was certified as achi	eving a silver rating f	or LEED-NC before this Act
101	takes effect, th	ne taxpa	yer m	ay apply for the cred	lit established in Section	on 52-18Q within 1 year after
102	the Act takes	effect]]	. <u>Sect</u>	ion 52-18Q, as adde	ed by Section 2 of this	s Act, applies to any building
103	which is certif	fied as a	high r	erformance building	after the Act takes ef	fect.
104	Approved:					
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107	Michael J. Kn	app, Pr	esiden	t, County Council		Date
108	Approved:					
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110	- Jan	sk!	13			Dec 17, 2207
111	Isiah/Leggett,	County	Exec	útive		Date
112	This is a corre	ect copy	of Co	uncil action.		
113	0				•	
114	Jm	da	M.	Laver		Dec. 17, 2007
115	Linda M. Lau	ier, Cle	k of th	ne Council		Date

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