

# CODE OF BALTIMORE REGULATIONS ANNOTATED

*Regulations Effective as of January 15, 2021*

## **Title 05 DEPARTMENT OF FINANCE**

Published by  
Baltimore City Department of Legislative Reference  
Avery Aisenstark, Director  
2022

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## **Title 05 DEPARTMENT OF FINANCE**

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**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 01 9-1-1 SPECIALISTS

Administrative History

Effective Date: September 30, 2019



**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**9-1-1 SPECIALISTS**

1.0. Background

These rules and regulations are issued pursuant to the authority granted to the Director of Finance by Ordinance 19-298, effective September 30, 2019, and codified in Section 10-22 of Article 28 of the City Code, which provides for property tax credits on the homestead dwellings of qualified 9-1-1 Specialists; as authorized by Section 9-262 of the Tax-Property Article of the Maryland Code.

2.0. Goal

The goal of this tax credit is to provide real property tax credits to qualified 9-1-1 Specialists who have their principal residences within Baltimore City.

3.0. Definitions

The terms defined in Section 10-22 of Article 28 of the City Code have the definitions set forth in the statute and nothing contained herein shall be interpreted to alter those definitions.

4.0. Applications

4.1 For All Applications:

The application requirements set forth below include specific deadlines relative to the submission of certain documents and the completion of certain steps in the application process. These deadlines are binding upon all applicants and will not be altered for any individual applicant. Failure to meet any of the deadlines outlined below shall result in the applicant's application being rejected. By applying for this credit, an applicant acknowledges these requirements and agrees to be bound by the deadlines set forth below.

All applications shall be submitted electronically to the Baltimore City Department of Finance via the City's Tax Credit Application System, available at:

<https://propertytaxcredits.baltimorecity.gov>

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant and no extensions shall be granted regarding any of the time requirements outlined below due to issues beyond the control of the City of Baltimore's Department of Finance.

## 4.2 Initial Application Requirements

Prior to applying for this credit, a qualifying property must meet the requirements set forth in section 9-105 of the Tax-Property Article of the Maryland Code. It is highly recommended that the applicant review that section of the Code prior to applying for this credit. If a property does not meet these requirements at the time of application, the Baltimore City Tax Credit Application System will notify the applicant, but will allow them to proceed with the filing of the application. If the applicable eligibility requirements set out in Section 9-105 of the Tax-Property Article of the Maryland Code are not met by the property and reflected in the City's Real Property Tax System by May 15th, the application will be rejected and the applicant will be ineligible to receive the credit until July 1st of the following calendar year.

If the applicant is notified by the system that their property does not meet the requirements, they should review the requirements of Section 9-105 of the Tax-Property Article of the Maryland Code, available here:

<https://www.lexisnexis.com/hottopics/mdcode/>

If the applicant is still unsure of what requirement is not met, they should contact the Department of Finance at [tax.credits@baltimorecity.gov](mailto:tax.credits@baltimorecity.gov) or the Baltimore City office of the State Department of Assessments and Taxation at 410-767-8250.

An applicant is responsible for completing the application for this credit in its entirety and submitting said application and any required attachments via the Baltimore City Tax Credit Application System no later than April 1<sup>st</sup> of the calendar year in which the credit is initially sought.

Beginning on April 2<sup>nd</sup>, and ending no later than April 30<sup>th</sup> of the same calendar year, the applicant's agency-designated application reviewer (ADAR) shall review the application information presented to him or her by the Department of Finance. The ADAR shall return all decisions regarding the eligibility of credit applicants to the Department of Finance in the manner specified by the Director of Finance, or his or her designee in this matter, no later than April 30<sup>th</sup> of the calendar year in which the credit is sought. The ADAR shall be solely responsible for the determination of an applicant's eligibility with respect to his or her employment as a qualifying 9-1-1 Specialist as of the date of review, and all decisions of the ADAR shall be final.

**No applications for this credit shall be accepted after April 1<sup>st</sup>, 2029.**

## 4.3 Monthly Verification Requirements

Beginning on August 15<sup>th</sup> of the calendar year in which credits have been awarded, and recurring monthly on the 15<sup>th</sup> of each month up to and including the following July 15<sup>th</sup>, the ADAR shall be responsible for confirming, in writing, the continued eligibility, with respect to continued employment by the City of

Baltimore in a Public Safety Answering Point, of all of his or her agency's credit recipients. If, at any time, a credit recipient ceases to serve as a 9-1-1 Specialist, the ADAR shall notify the Department of Finance within 30 days. The ADAR shall provide the Director of Finance, in writing, the Name, Address, and Date of Departure from Qualifying Employment for the former employee.

#### 4.4 Annual Verification Requirements

Once a credit has been initially granted, the applicant is responsible for annually completing the Annual Eligibility Verification (AEV) form and submitting the form and any required attachments no later than April 1<sup>st</sup> of the tax year for which the credit has been granted. The AEV form and details of the required documentation are available on the Baltimore City Tax Credit Application Website.

No sooner than April 2<sup>nd</sup> of the calendar year in which the renewed credit is sought, and no later than April 30<sup>th</sup> of that same year, the AEV forms and supporting documentation that were submitted in a timely manner shall be examined by the applicant's ADAR. The ADAR shall have sole responsibility for determining the applicant's status with respect to continuing employment eligibility for the credit and all decisions of the ADAR shall be final. The ADAR shall return all decisions regarding the continuing eligibility of credit recipients that have submitted AEV forms to the Department of Finance in the manner specified by the Director of Finance, or his or her designee in this matter, no later than April 30<sup>th</sup> of the calendar year in which the credit sought is to be renewed.

### 5.0. Eligibility

#### 5.1 Initial Eligibility

To be eligible to apply for this credit an applicant must meet the following criteria:

- 1) Be a qualifying 9-1-1 Specialist, as defined by Section 10-22 to mean a Baltimore City employee of a public safety answering point whose duties and responsibilities include:
  - a) receiving and processing 9-1-1 requests for emergency assistance;
  - b) other support functions directly related to 9-1-1 requests for emergency assistance; or
  - c) dispatching law enforcement officers, fire rescue services, emergency medical services, and other public safety services to the scene of an emergency.
- 2) Own a dwelling located in Baltimore City and use said dwelling as his or her principal residence; and
- 3) Be otherwise eligible in all respects for the tax credit authorized by the State Tax-Property Article, Section 9-105 ("Homestead Tax Credit").

While applicants are not required to apply for the Homestead Tax Credit authorized by Section 9-105 of the State Tax-Property Article, they are encouraged to do so and being approved for the Homestead Credit may speed the approval and processing of the 9-1-1 Specialist Tax Credit. Regardless of an applicant's Homestead Tax Credit Application status, applicants whose "homeowner indicator" status is an "N", as reflected on the Baltimore City Tax Credit Application website, are strongly encouraged to contact the State Department of Assessments and Taxation's Baltimore City Office at 410-767-8250 and request an update to that indicator as soon as possible. Failure to have the status of that indicator reflected as an "H" or a "D" by May 15<sup>th</sup> will prevent the application from proceeding and the property will not be eligible to receive the credit until July 1st of the following calendar year.

## 5.2 Determination of Eligibility

The applicant must follow the application procedures outlined in section 4 of these rules and regulations, meet the necessary eligibility criteria specified throughout these rules and regulations, and apply during the specified application period.

Determinations regarding an applicant's eligibility relative to his or her employment will be the sole responsibility of the agency employing the applicant and must be processed in the manner prescribed by the Director of Finance or his or her designee in this matter. All such determinations will be final.

All determinations regarding an applicant's eligibility relative to his or her property will be the sole responsibility of the Department of Finance and shall be made using the most recent information available at the time the application is reviewed. All such determinations are final.

Any application that is rejected during the specified review period may not be resubmitted for that year. Any changes to the applicant's employment status or the status of his or her property may allow for reapplication in future years, but no further submissions for the year reviewed will be allowed after the April 1<sup>st</sup> deadline.

## 5.3 Continuing Eligibility

To continue to receive the credit the applicant shall be required to complete an AEV form and submit the form and any required attachments by April 1<sup>st</sup> of each year, as specified in subsection 4.4.

Additionally, continuing eligibility for the credit shall be dependent upon the applicant:

- 1) Continuing to serve in the capacity required by paragraph 5.1 (1); and
- 2) Continuing to use the property for which the credit was initially granted as the applicant's principal residence and continuing to ensure that the property qualifies in all respects for the Homestead Tax Credit as referenced in paragraph 5.1 (3).

Failure to comply with any of these requirements shall result in the non-renewal of the tax credit herein provided.

Additionally, if at any time during a tax year for which the credit was granted the applicant ceases to serve as a qualifying 9-1-1 Specialist as specified in paragraph 5.1 (1):

- 1) The tax credit for that taxable year shall be immediately terminated; and
- 2) The applicant shall be liable for all property taxes that would have been due for that tax year had the credit not been granted, payable within 30 days of the date billed.

It shall be the responsibility of the ADARs within each of the agencies employing 9-1-1 Specialists to inform the Department of Finance when a 9-1-1 Specialist tax credit recipient, as verified by their agency prior to the award of said credit, ceases to be employed in the required capacity. Failure to inform the Department of Finance of the credit recipient's change in employment status in a timely manner will be viewed as a false statement by omission with respect to Section 8.0 of these rules and regulations.

#### 5.4 Limitations on Eligibility for Other Tax Credits

In any taxable year in which a property receives a credit granted under Section 10-22, the property may not receive any other property tax credit provided by the City of Baltimore, except:

- 1) The local portion of the credit authorized by State Tax-Property Article Section 9-105 ("Homestead Tax Credit"); and
- 2) The credit authorized by State Tax-Property Article Section 9-221 ("Offsetting Income Tax Rates").

#### 5.5 Transferability of Credit

The credit granted under Section 10-22 is not transferable between property owners and cannot be transferred between properties by a property owner.

## 6.0 Term of Credit, Commencement of Credit Term, Expiration of Credit Term

### 6.1 Credit Term Generally

Provided that the requirements of Section 5.3 of these rules and regulations are met, the credit granted under Section 10-22 continues from year to year for an indefinite term and is applicable to all taxable years beginning on or after July 1, 2019.

### 6.2 Commencement of Credit Term

Any qualifying applicant's credit will begin with the tax year that begins on the first July 1 occurring at least 90 days after the initial application is submitted, provided that such application is submitted no later than April 1, 2029.

### 6.3 Expiration of Credit Term

Such credit shall continue from year to year unless and until any of the following occur:

- 1) The qualifying 9-1-1 Specialist fails to submit an annual verification form and any required attachments by April 1<sup>st</sup> of the calendar year in which the credit is sought;
- 2) The qualifying 9-1-1 Specialist ceases to use the qualified Homestead Dwelling on which he or she has been receiving a credit as his or her principal residence; or
- 3) The qualifying 9-1-1 Specialist ceases to be eligible as provided in Section 10-22.

Should a qualifying 9-1-1 Specialist qualify for a credit granted under Section 10-22 at any time after having had a previous credit granted under that section expire, the qualifying 9-1-1 Specialist must submit a new application prior to the deadline specified in section 4.2 of these rules and regulations.

## 7.0 Calculation of the Credit

A credit granted under Section 10-22 is applied only to the Baltimore City Real Property Taxes on the Homestead Dwelling of the qualifying 9-1-1 Specialist. The tax credit in any given year shall be equal to the lesser of:

- 1) \$2,500; and
- 2) The amount of City Real Property Tax remaining on the dwelling after the application of any credit amount under Section 9-105 of the Tax-Property Article of the Maryland Code (Homestead Tax Credit).

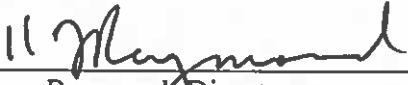
Under no circumstances shall any amount of the credit granted by Section 10-22 be applied to any State Real Property Tax amount, any Special Benefit District Tax amount, or any other tax amount that is anything other than Baltimore City Real Property Taxes.

8.0 Fraudulent Applications

Any tax credit applicant, recipient, or reviewer (ADAR) who knowingly makes a false statement on or in connection with an application for the credit granted under Section 10-22 shall be subject to the criminal penalties for such activity contained therein.

These rules and regulations become effective 12/20/19 and have been filed with the City of Baltimore Department of Legislative Reference.

Issued and Approved:

  
\_\_\_\_\_  
Henry Raymond, Director  
Department of Finance

12/12/19  
Date

  
\_\_\_\_\_  
Hilary Ruley, Chief Solicitor  
Law Department

12/18/19  
Date

  
\_\_\_\_\_  
Avery Aisenstark, Director  
Legislative Reference

12/20/19  
Date



**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 02 BROWNFIELDS

Administrative History

Effective Date: December 14, 2020

# **RULES AND REGULATIONS - PROPERTY TAX CREDITS** **BROWNFIELDS**

## **1.0 Background**

These rules and regulations are issued pursuant to the authority granted to the Director of Finance by Section 10-10(j) of Article 28 of the Baltimore City Code.

## **2.0 Eligibility**

### 2.1 Eligible properties.

Eligible properties must be:

- For the purposes of administering this tax credit, no smaller than one complete taxable lot. A Qualified Brownfields Site may be composed of multiple lots, but all such lots will be considered to be included in their entirety. No partial lots may apply for, or be considered for, this tax credit.
- Subject to an approved Voluntary Cleanup Plan or Corrective Action Plan. The terms of the plan must have been met and the cleanup or corrective action completed for the entire Qualified Brownfields Site.
- Issued a letter from Maryland Department of the Environment (MDE), indicating that no further cleanup will be required. This “No Further Requirements” letter may be issued under the Maryland Voluntary Cleanup Program or under the Maryland Oil Control Program. It is the property owner’s responsibility to ensure that the “No Further Requirements” letter applies to the entire Lot or Lots for which the credit is sought and that there are no future cleanup requirements known at the time the letter is issued. If the “No Further Requirements” letter is issued after completion of the project, it must be issued within 6 months of the issuance of a final use and occupancy permit.
- Issued a letter by the Department of Commerce (Commerce) designating the site as a “Qualified Brownfields Site” eligible for the Brownfields Revitalization Incentive program. If the “No Further Requirements” letter is issued after completion of the project, the Department of Commerce’s qualification letter must be issued within 6 months of the “No Further Requirements” letter.
- Issued a Base Assessment by SDAT. Property owners are responsible for ensuring that SDAT certifies their Base Assessments to the City of Baltimore.

## 2.2 Continuing eligibility.

To continue to receive the credit, any recipient who received a certificate of completion under Maryland's voluntary cleanup program, must maintain approval of a response action plan and a certificate of completion under Sections 7-512 and 7-513 of the Environment Article of the Annotated Code of Maryland.

## 2.3 Information Requirement.

The Department of Finance reserves the right to request additional information to determine eligibility.

## **3.0 Applications**

### 3.1 Where to Apply.

All applications shall be submitted electronically via the Baltimore City Department of Finance's Automated Tax Credit Application System (hereinafter "the System"). This system can be accessed via the internet at the following url:

<https://propertytaxcredits.baltimorecity.gov>

All applicants will need to register with the system and create an account that will be used to grant access to the application system and may be used to apply for this and other tax credits for the property.

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant, nor for any issues beyond the control of the City of Baltimore's Department of Finance.

### 3.2 All Applicants.

- Tax credit application and supporting documentation must be filed with the Baltimore Development Corporation via the online Baltimore City Tax Credit Application System in the first taxable year in which the property qualifies for the tax credit. Failure to apply in the first qualifying taxable year will result in the loss of all credit eligibility. For the purposes of this credit, the property shall be deemed to have "qualified" for the credit upon issuance by Commerce of a letter designating the site a "Qualified Brownfields Site."
- Any Commerce letter issued after May 31<sup>st</sup> of a taxable year may, at the property owner's discretion, be considered for these purposes to be issued on July 1<sup>st</sup> of the following taxable year. PLEASE NOTE: Property owners should be aware that while advancing the effective issuance date of the Commerce letter will afford them additional time to complete an application by advancing the tax year in which they qualify and thus potentially eliminating the risk of losing the credit entirely for failing to submit a timely application, this will have no effect on the

term of the credit. As such, if the property has already been issued a full year tax bill following the revaluation of the property after the cleanup has been completed, and the tax year in which the property qualifies for the credit is advanced to the following year, then the property owner will be unable to receive the tax credit in the first year of the tax credit period. Under no circumstances will a tax credit be issued in any tax year prior to the tax year in which a completed application is submitted.

- Prior to the submission of any application, applicants should complete any property modifications of the approved site involving subdivision of one lot into multiple lots or the consolidation of multiple lots into one lot. Failure to complete any lot changes prior to applying for the credit will delay the processing of the tax credit application, and any lots not specifically mentioned in the letters from MDE and Commerce may face substantial delays. Finally, the application for, and issuance of, a Brownfields Tax Credit for a cleanup on any portion of a taxable lot shall be considered a tax credit on the entire lot. Upon the expiration of that credit, the property shall be ineligible for any additional Brownfields Tax Credit unless there is the need for, and the completion of, additional cleanup activity unrelated to the initial action.
- At the time of application, applicants must provide a copy of a letter from the Maryland Department of the Environment indicating that no further cleanup will be required. This letter may be issued under the Maryland Voluntary Cleanup Program or under the Maryland Oil Control Program.
- At the time of application, applicants must provide copies of all building permits issued for work done as part of a voluntary cleanup program.
- At the time of application, applicants must provide a statement, sworn to under the penalty of perjury, which provides a list of the site's purchase price and cleanup costs.
- At the time of application, applicants must provide a statement, sworn to under the penalty of perjury, which provides the date on which cleanup activities were commenced and the date on which cleanup activities were completed.
- At the time of application, applicants must sign a statement that all taxes, water, sewer, and other charges and assessments due to the City are current.
- Applicants must provide any other information/documentation deemed necessary.

### 3.3 Applicants seeking the additional 20% credit.

At the time of application, applicants must provide a notarized statement showing that the site's purchase price and costs of completing the requirements of a voluntary cleanup or corrective action plan equal or exceed \$250,000.

### 3.4 Applicants in a State-designated Enterprise Zone seeking a 10-year credit term.

At the time of application, applicants must provide certification from the Baltimore Development Corporation (BDC) showing that the property is located in a State-designated Enterprise Zone area.

## **4.0 Term and Commencement of the Credit**

### 4.1 Term of Credit

- For sites located in a State-designated Enterprise Zone area, the credit period is ten (10) years.
- For all other sites, the credit period is five (5) years.

### 4.2 Credit Period Commencement

- The credit period commences on the first day of the first full tax year beginning on or after the effective date of the first revaluation of the Brownfields site by the State Department of Assessments and Taxation (SDAT) after completion of a voluntary cleanup or corrective action plan.
- The credit period for a property that has been revalued following the completion of a voluntary cleanup or corrective action plan commences regardless of the status of the application for the credit.

### 4.3 Commencement of the Credit

- The credit award shall commence following the approval of an application for a qualifying eligible property.
- The award of the credit shall be for any tax year within the credit period that has not ended prior to the submission of a completed application for a qualifying eligible property. The credit will not be awarded retroactively in any tax year which has ended prior to the submission of a completed application for a qualifying eligible property.

## **5.0 Calculation of the Credit Amount**

- The credit is applied to City and State real property taxes only.
- The City real property tax credit shall equal a percentage of the increased City real property tax liability, above the Base Assessment of the site prior to the voluntary cleanup or corrective action plan, after first applying all other property tax credits applicable to the site.

- The general Brownfields real property tax credit is calculated as 50% of the increased tax liability specified above.
- For projects where the documented costs of the site's purchase and voluntary cleanup or corrective action plan efforts equals or exceeds \$250,000, the credit is calculated as 70% of the increased tax liability specified above.
- No credit applicant may receive any combination of credits which reduces tax liability below the taxes due on the fully phased-in value of the property prior to the voluntary cleanup or corrective action plan.

#### **6.0 Transferability of the Credit**

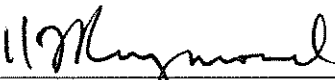
The credit is transferable to a subsequent owner. Once a credit is granted, it will automatically transfer to a subsequent owner for the remaining term of the credit, provided that a new owner meets the "continuing eligibility" requirements outlined in Section 2.2 of these Rules and Regulations.

#### **7.0 Advanced Determination of Eligibility**

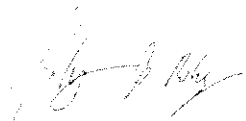
An applicant may ask for a determination of eligibility prior to receiving the final determination from the Maryland Department of the Environment that no further cleanup is required. Other application requirements remain the same. The Department of Commerce, responding to such a request, may issue a letter that indicates eligibility, conditioned upon completion of the required cleanup.

These rules and regulations are effective this day of 12/14/20 and have been filed with the City of Baltimore Department of Legislative Reference.

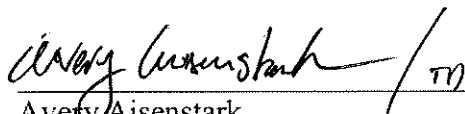
Issued and Approved:

  
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Henry J. Raymond, Director  
Department of Finance

12/14/20  
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Date

  
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Law Department

11/17/2020  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Avery Aisenstark  
Legislative Reference

12/14/20  
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Date

Note: These rules and regulations replace all prior versions and follow chronologically the rules and regulations issued December 20, 2019.

**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 03 FALLEN HEROES

Administrative History

Effective Date: March 31, 2004



# Mayor & City Council of Baltimore

Department of Finance

## RULES AND REGULATIONS

### Fallen Heroes Tax Credit Program

Bureau of Treasury Management  
Abel Wolman Municipal Building  
200 North Holliday Street

Room 3  
Baltimore, Maryland 21202

April 2005

## Department of Finance

### Fallen Hero Tax Credit Rules and Regulations

Authority: Annotated Code of Maryland Tax- Property Article § 9-210; Baltimore City Code, 2000 Edition as amended Article 28, Subtitle 10, § 10-15 (Ordinance 04-664 effective March 31, 2004).

#### 1. Definitions.

A. The following terms have the meanings indicated.

B. Terms Defined.

(1) "Director" means the Director of Finance or designee.

(2) "Dwelling":

(a) Means real property that is the legal residence of a surviving spouse and occupied by not more than two families; and

(b) Includes the lot or curtilage and structures necessary to use the real property as a residence.

(3) "Extent of the previous credit" means the lower of 100% of the tax bill or the dollar amount of the credit applicable to the surviving spouse's first qualifying dwelling.

(4) "Fallen hero" means an individual determined by the Fire and Police Employee's Retirement System of the City of Baltimore or the actuarially funded Police and fire retirement system to have died in the line of duty pursuant to applicable Provision of the Baltimore City Code. Fallen Heroes include law enforcement officers and fire, rescue, or emergency medical service workers as defined herein.

(5) "Law enforcement officer" means a sworn officer of the Baltimore City Police Department.

(6) "Fire, Rescue or Emergency medical service worker means a sworn officer of the Baltimore City Fire Department.

(7) "Surviving Spouse":

(a) Means the surviving spouse of a fallen hero; and

(b) Does not include an individual who has remarried after the death of the fallen hero.

#### 2. Tax Credit.

A. Granted.

The City shall grant a tax credit against the Baltimore City real property tax imposed on a dwelling that is owned by the surviving spouse of a fallen hero:

(1) If the dwelling was owned by the fallen hero at the time of his/her death

- (2) If the fallen hero or the surviving spouse was domiciled in the state of Maryland as of the date of death of the fallen hero and the dwelling was acquired by the surviving spouse within 2 years of the death the fallen law hero; or
- (3) If the dwelling was acquired after the surviving spouse qualified for a credit for a former dwelling under §A (1) or §A (2) of this regulation, up to the extent of the previous credit.

**B. Amount of credit.**

- (1) The property tax credit shall equal 100% of the Baltimore City real property tax for the dwelling under §A (1) or §A (2) of this regulation.
- (2) The amount of the credit for dwellings under §A (3) of this regulation is limited to the lower of 100% of the Baltimore City real property tax or final credit amount granted to a former Baltimore City dwelling under §A (1) or §A (2) of this regulation.

**C. May not be combined.**

- (1) The property tax credit granted under this regulation may not be combined with any other tax credit or payment in lieu of taxes applicable to the dwelling.
- (2) A dwelling owned by a surviving spouse granted a property tax credit under this regulation is not eligible for any other Baltimore City real property tax credit.

**D. Eligibility.**

A Surviving spouse is eligible for the tax credit:

- (1) in the first taxable year after the date of the death of the fallen hero or;
- (2) if the death of the fallen hero occurred on or before June 30, 2003 for tax years beginning after June 30, 2003.

**E. Non-lapsing.**

- (1) The property tax credit continues from year to year without further application by the surviving spouse provided that the surviving spouse continues to meet the provisions of law determining eligibility and completes the Annual Statement of Eligibility
- (2) If requested by the Director, the surviving spouse shall provide additional evidence of eligibility.

APPROVED: \_\_\_\_\_  
Director of Finance  
DATE: 2/1/03  
FILED WITH DEPARTMENT OF LEGISLATIVE REFERENCE  
DATE: 2/1/03

### 3. Administration.

#### A. Application

- (1) A surviving spouse shall apply to the Director for the tax credit on or before September 30 in the taxable year for which the credit is requested to begin.
- (2) Application forms may be obtained from the Collection Division's accounting office at:

Abel Wolman Municipal Building  
200 North Holliday Street  
Baltimore, MD 21202  
Accounting Office, Room 3  
(410) 396-3972

- (3) A copy of the marriage and death certificate shall accompany the application.
- (4) The applicant shall provide evidence that:
  - (a) The dwelling was owned by the fallen hero; or
  - (b) The fallen hero or surviving spouse was domiciled in Maryland as of the date of death and the surviving spouse acquired the dwelling within 2 years of the death the fallen hero.

#### B. Certification

- (1) Upon receipt of the application, the Director shall forward the application to the Board of Trustees of the Fire and Police Employees' Retirement System for certification that the death was a line-of-duty death as provided for in applicable provisions of the Baltimore City Code.

#### C. Director to grant or deny application

- (1) The Director shall make his/her best effort to grant or deny the application for the credit within 45 days after receipt of the application.

#### D. Continuing eligibility

- (1) On or before April 1 of each year, the Director shall forward to each credit recipient a form to verify continued eligibility in the following tax year.
- (2) The credit recipient shall return the form by June 1 of the same year to have the credit applied to the tax bill issued July 1.

APPROVED: \_\_\_\_\_

Director of Finance

DATE

5/2/05

FILED WITH DEPARTMENT OF LEGISLATIVE REFERENCE

DATE

5/2/05

## Homestead Property Tax Credit

### Program Purpose and Description

This program was designed to limit the amount of the annual increase in taxable assessments for eligible owner occupied properties. The program dates back to the late 1970's, a period of rapid escalation in property values. State law requires each Maryland local government to establish a limit on how much owner occupied residential taxable assessments may increase each year. The program protects homeowners from increases in taxable assessment above the level established by local law, or 10%, if no local action is taken. In the early 1990's, the City established the annual cap at 4% and it continues to be set at 4% today. The credit is applied against the taxes due on the portion of the reassessment exceeding the 4% homestead cap. Refer to example on next page for further explanation.

### Application Process:

This credit requires no application process and is applied directly to the property owner's tax bill.

### Contact:

Mary Ann Uhl, Supervisor  
Collections Division Customer Service Section  
410-361-9057  
Mary.uhl@baltimorecity.gov

### Legal Reference

- State legislation - Annotated Code of Maryland, Tax Property Article, Section 9-105 (2004, Chapter. 43, § 1; Chapter 501).
- Baltimore City Code, Article 28-Taxes, Section 10-1 (Ordinance 92-156).

## Historic Restoration and Rehabilitation Property Tax Credit

### Program Purpose and Description:

This program was designed to encourage preservation and investment in historic properties.

This is a 10-year program, with the credit granted on the increased value of a historic property due solely to the qualified historic improvements. The assessment subject to the credit is computed once and used for the entire term of the credit. For projects with construction cost less than \$3.5 million the credit is 100%.

**Please Note:** For projects with construction costs more than \$3.5 million the credit provides 80% tax relief in the first 5 taxable years and declines by 10 percentage points annually thereafter to 30% in the 10<sup>th</sup> year.

Column	Assessment Before Improvement (1)	Assessment After Improvement (2)	Difference in Assessment (3) (2) - (1)	Credit % (4)	Amount Eligible for Credit (5) (3) * (4)	City Tax Rate * (6)	Credit Amount (7) (5) * (6)
Calculation							
Year 1	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 2	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 3	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 4	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 5	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 6	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 7	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 8	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 9	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00
Year 10	\$50,000	\$200,000	\$150,000	100%	\$150,000	2.288	\$3,432.00

\* Assumes no tax rate change during the five year credit period.

### Sunset Provision:

Applications for this credit shall not be accepted after March 1, 2007 unless legislation is passed to extend the program.

### Application Process:

Please visit <http://www.baltimorecity.gov/government/historic/taxcredit.html> for information procedures and application materials.

**Contacts:**

**Kathleen Kotarba, Director**

**Commission for Historical and Architectural Preservation (CHAP)**

**410-396-7526**

**[Kathleen.kotarba@baltimorecity.gov](mailto:Kathleen.kotarba@baltimorecity.gov)**

**Paula Buchanan, Office Assistant III**

**Accounting Section**

**443-984-3497**

**[Paula.Buchanan@baltimorecity.gov](mailto:Paula.Buchanan@baltimorecity.gov)**

**Hattie Scott, Assistant Supervisor**

**Accounting Section**

**443-984-3498**

**[Hattie.Scott@baltimorecity.gov](mailto:Hattie.Scott@baltimorecity.gov)**

**Janice Simmons, Manager**

**Collections Division**

**410-396-3961**

**[Janice.Simmons@baltimorecity.gov](mailto:Janice.Simmons@baltimorecity.gov)**

**Legal Reference:**

- State enabling legislation – Annotated Code of Maryland, Tax Property Article, Section 9-204.1 (Chapter 657, 1995 Session).
- Baltimore City Code, Article 28-Taxes, Section 10-8 (ordinance No. 668, effective January 3, 1996, as amended by Ordinance 1976/83, effective September 4, 1997, 99-416, effective May 26, 1999, Ordinance 00-103, and Ordinance 02-475, Ordinance 06-184).

## **Fallen Hero Tax Credit**

### **Program Purpose and Description**

This program was designed to provide property tax relief to the surviving spouse<sup>1</sup> of a "Fallen Hero", an individual determined by the Fire and Police Employee's Retirement Systems to have died in the line of duty pursuant to applicable provisions of the City Code.

The amount of the tax credit granted is 100% of the City property tax imposed on the dwelling. The credit continues from year to year, with determination of continuing eligibility of the surviving spouse (see step 4 of the application process). The property tax credit granted under this regulation may not be combined with any other tax credit or payment in lieu of taxes applicable to the dwelling.

### **Legal Reference**

- State enabling legislation – Annotated Code of Maryland, Tax Property Article, Section 9-210 (Chapter 489, 2002 Session).
- Baltimore City Code, Article 28-Taxes, Section 10-15 (Ordinance No. 04-664).

### **Contacts:**

Paula Buchanan, Office Assistant III  
Accounting Section  
443-984-3497  
[Paula.Buchanan@baltimorecity.gov](mailto:Paula.Buchanan@baltimorecity.gov)

Hattie Scott, Assistant Supervisor  
Accounting Section  
443-984-3498  
[Hattie.Scott@baltimorecity.gov](mailto:Hattie.Scott@baltimorecity.gov)

Janice Simmons, Manager  
Collections Division  
410-396-3961  
[Janice.Simmons@baltimorecity.gov](mailto:Janice.Simmons@baltimorecity.gov)

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<sup>1</sup> The surviving spouse does not include an individual who has remarried after the death of the "Fallen Hero."



Application Process:

*Step 1:* A surviving spouse shall apply to the Director for the tax credit on or before September 30 in the taxable year for which the credit is requested to begin. For example, in order to receive the credit for the year 2006, the application must be submitted by September 1, 2006.

*Step 2:* The applicant shall return the application form with the following supporting documentation:

- A copy of the marriage and death certificate and
- Proof that the dwelling was owned by the fallen hero or proof that the fallen hero or surviving spouse was domiciled in Maryland as of the date of death and the surviving spouse acquired the dwelling within 2 years of the death of the fallen hero.

Applications are to be returned to the following address:

Abel Wolman Municipal Building

200 North Holliday Street

Baltimore, MD 21202

Accounting Office, Room 3

(410) 396-3972

*Step 3:* Within 45 days after receipt of the application, the Director shall grant or deny the application for the credit and notify the applicant.

*Step 4:* On or before April 1 of each year, the Director shall forward to each credit recipient a form to verify continued eligibility in the following tax year. The credit recipient shall return the form by June 1 of the same year to have the credit applied to the tax bill issued July 1.

CITY OF BALTIMORE  
COLLECTION DIVISION  
DEPARTMENT OF FINANCE  
ROOM 3, MUNICIPAL BUILDING  
200 NORTH HOLLIDAY STREET  
BALTIMORE, MARYLAND 21202  
(410) 396-3972 FAX: (410) 545-7620

## TAX CREDIT APPLICATION FOR FALLEN HEROES

**"FALLEN HERO" MEANS AN INDIVIDUAL DETERMINED BY THE FIRE AND POLICE EMPLOYEE'S RETIREMENT SYSTEM OF THE CITY OF BALTIMORE OR THE NON-ACTUARIALLY FUNDED POLICE AND FIRE RETIREMENT SYSTEM TO HAVE DIED IN THE LINE OF DUTY.**

1. Date of Application: \_\_\_\_\_
2. Name of Fallen Hero: \_\_\_\_\_
3. Date of Death: \_\_\_\_\_
4. Type: Police \_\_\_\_\_ Fire \_\_\_\_\_ 5. Approximate dates of Service: \_\_\_\_\_
6. Name of Applicant/ Surviving Spouse: \_\_\_\_\_
7. Home Address: \_\_\_\_\_
8. Day Phone Number: \_\_\_\_\_
9. Is this dwelling the legal residence of the surviving spouse? YES NO  
(A "NO" ANSWER PROHIBITS GRANTING THIS CREDIT UNDER STATE LAW)
10. Is this dwelling occupied by more than two families? YES NO  
(A "YES" ANSWER PROHIBITS GRANTING THIS CREDIT UNDER STATE LAW)
11. Has the surviving spouse remarried? YES NO  
(A "YES" ANSWER PROHIBITS GRANTING THIS CREDIT UNDER STATE LAW)
12. How does the dwelling qualify for the credit? Please check one category.
  - A. The dwelling was owned by the fallen hero at the time of his or her death.
  - B. The dwelling was acquired within 2 years of the death of the fallen hero and the fallen hero or surviving spouse was domiciled in Maryland at the time of death. \_\_\_\_\_
  - C. The dwelling was acquired after the surviving spouse qualified for a credit for a former dwelling under categories 1 or 2 \_\_\_\_\_

I declare under penalty of perjury that all information above is true and correct.

\_\_\_\_\_  
Property Owner

\_\_\_\_\_  
Date

---

(For official use only: To be completed by Baltimore City Fire and Police Retirement System or ERS)

The death of the employee is certified as line-of duty: Yes \_\_\_\_\_ No \_\_\_\_\_

Retirement Agency Official Signature \_\_\_\_\_

Date \_\_\_\_\_

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(For official use only: To be completed by Department of Finance)

Date application received: \_\_\_\_\_

Real Property Account Number \_\_\_\_\_

Current Year Baltimore City Real Property Tax \$ \_\_\_\_\_

Amount of Credit provided to a former dwelling under Category 1 or 2 \$ \_\_\_\_\_  
Real Property Account Number of former dwelling \_\_\_\_\_

Net property tax credit for the current year: \$ \_\_\_\_\_

Department of Finance Approval \_\_\_\_\_

Date \_\_\_\_\_

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**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 04 FOOD DESERT RETAIL INCENTIVE AREAS

Administrative History

Effective Date: January 11, 2016

# **FOOD DESERT RETAIL INCENTIVE AREA – PERSONAL PROPERTY TAX CREDIT RULES AND REGULATIONS**

## 1.0. Background

These rules and regulations are issued pursuant to the authority granted to the Director of Finance by Ordinance 15-434, effective January 11, 2016, and codified in Section 10-30 of Article 28 of the City Code, providing for a credit against the City personal property tax imposed on qualified supermarkets; as authorized by Section 9-304 of the Tax-Property Article of the Maryland Code.

## 2.0. Goal

The goals of this tax credit are to encourage both the construction and creation of new supermarkets in existing Food Deserts within the City of Baltimore and the continued reinvestment in existing supermarkets located in areas that would be Food Deserts except for those supermarkets' presence.

## 3.0. Definitions

The terms defined in Ordinance 15-434 have the definitions set forth in that ordinance and nothing contained herein shall be interpreted to alter those definitions.

## 4.0. Applications

For All Applications:

The application requirements set forth below include specific deadlines relative to the submission of certain documents and the completion of certain steps in the application process. These deadlines are binding upon all applicants and will not be altered for any individual applicant. Failure to meet any of the deadlines outlined below shall result in the cancellation of the applicant's application. By applying for this credit, applicant acknowledges these requirements and agrees to be bound by the deadlines set forth below.

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant and no extensions shall be granted regarding any of the time requirements outlined below due to issues beyond the control of the City of Baltimore.

### 4.1 Pre-Qualification Requirements

Prior to applying for this credit, a qualifying supermarket, whether existing or planned, must pre-qualify with the Baltimore Development Corporation (BDC).

Pre-qualification forms are available from the BDC and can be found on the BDC website at:

[www.baltimoredevelopment.com/food-desert-credit](http://www.baltimoredevelopment.com/food-desert-credit)

The pre-qualification form must be completed in its entirety and submitted electronically to the BDC at the following email address:

[info@baltimoredevelopment.com](mailto:info@baltimoredevelopment.com)

BDC shall be responsible for the review and approval or denial of all pre-qualification forms submitted and shall forward all approved pre-qualification forms to the Department of Finance upon approval. Approved pre-qualifications shall be valid for a period of 24 months for planned new construction in an existing food desert. All other approved pre-qualifications shall expire 180 days from the date of issue.

#### 4.2 Application Part I – Initial Application

The application for this credit, accepted only from those applicants that have received pre-qualification approval from BDC, is available from the BDC and can be found on the BDC website at:

[www.baltimoredevelopment.com/food-desert-credit](http://www.baltimoredevelopment.com/food-desert-credit)

The application should be completed in its entirety, signed and submitted electronically with any additionally required documentation to the Baltimore City Department of Finance at the following email address:

[Tax.Credits@baltimorecity.gov](mailto:Tax.Credits@baltimorecity.gov)

Applications must be received by October 1<sup>st</sup> in order to be considered for the credit in the tax year that begins on January 1<sup>st</sup> of the next calendar year. No partial year credits will be granted and all applicants submitting applications after October 1<sup>st</sup> of a given year will not be considered eligible for a credit until the second January 1<sup>st</sup> following the submission.

#### 4.3 Application Part II – Continuing Eligibility

Once a credit has been initially granted, the applicant is responsible for annually submitting any and all documentation required by the BDC to support the applicant's continued eligibility for the credit. Failure to submit any required documentation within 30 days of the information being requested shall lead to the revocation of the tax credit.

## 5.0. Eligibility

### 5.1 Initial Eligibility:

Pre-qualification for the tax credit is based upon physical location, location relative to existing food desert retail incentive areas, meeting the legal designation of supermarket, meeting the requirements for a supermarket included in the credit, and making the necessary capital expenditures required by the credit.

The supermarket **must** be located in a Food Desert Retail Incentive Area as that term is defined in Section 10-30 (a)(4) of Article 28 of the City Code.

A food desert retail incentive area is any area that is: 1) within a food desert, 2) within a ¼ mile of a food desert, or 3) that would be a food desert but for the presence of a qualified supermarket.

The official food desert retail incentive area designation is made by the City of Baltimore's Planning Department. The GIS layer designating the incentive area is updated as follows:

- Immediately as a supermarket opens or closes
- Yearly as American Community Survey data are released on income
- Yearly as American Community Survey access to transportation data are released
- Biennially as updated Healthy Food Availability Score (HFAI) data generated by The Johns Hopkins Center for a Livable Future are released

To meet the designation of a "supermarket," the applicant must be a grocery store that has all major food departments including produce, meat, seafood, dairy and canned and packaged goods; more than 50% of total sales derived from food sales; and more than 50% of total floor space dedicated to food sales.

Additionally, to qualify for the credit, said supermarket must have at least 500 square feet of total floor space dedicated to the sale of fruits and vegetables and have at least 500 square feet of total floor space dedicated to the sale of other perishable goods, including meat, seafood, and dairy products.

Additionally, the applicant must have expended on new personal property an amount equal to the greater of \$150,000 or \$25 per square foot of total floor space.

### 5.2 Determination of Final Eligibility:

The applicant must follow the procedures outlined in Section 4 of these rules and regulations, meet the necessary eligibility criteria specified throughout these rules and regulations, and apply during the specified application period. If all of these conditions and eligibility requirements are met, BDC will have the sole responsibility for making determinations of final eligibility for the credit.

### 5.3 Continuing Eligibility:

To continue to receive the credit the applicant shall:

- Ensure that the property for which the credit is granted continues to qualify as a supermarket;
- Submit all annually required documentation to the BDC in a timely manner;
- Ensure that the property for which the credit is granted continues to comply with all the requirements of the Baltimore City Health Article;
- Ensure that the property for which the credit is granted continues to comply with all the requirements of the Baltimore City Building, Fire, and Related Codes Article; and
- Ensure that the property remains current with respect to all other taxes and fees owed to the City of Baltimore.

Failure to comply with any of these requirements shall result in the immediate suspension of the tax credit herein provided. Failure to cure any noncompliance within a period of 90 days shall result in the revocation of the credit.

### 5.4 Transferability of Credit

The credit is non-transferable.

## 6.0 Term of Credit and Commencement of Credit Term

The credit is for a fixed period of 10 years. The 10-year period commences with the first calendar tax year beginning after the approval of a timely submitted application. No partial year credits shall be provided. All taxes due prior to the commencement of the credit are the sole responsibility of the applicant and failure to pay said taxes shall result in the suspension of the credit and may result in the permanent revocation of the credit.

## 7.0 Calculation of Amount of Credit

The credit is applied to City personal property taxes only. The tax credit is equal to the amount of personal property tax that would otherwise be due in the current tax year of the qualifying supermarket's personal property, less the amount of any other credit to the personal property tax applicable in the current tax year, multiplied by 80%.



These rules and regulations become effective 3/31/17 and have been filed with the City of Baltimore Department of Legislative Reference.

Issued and Approved:

  
Henry Raymond, Director  
Department of Finance

3/31/17  
Date

  
Hilary Ruley, Chief Solicitor  
Law Department

3/24/17  
Date

  
Avery Aisenstark, Director  
Legislative Reference

3/31/17  
Date

**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 05 HIGH-PERFORMANCE MARKET RATE RENTAL HOUSING - CITYWIDE

Administrative History

Effective Date: January 14, 2021

# **RULES AND REGULATIONS - PROPERTY TAX CREDITS**

## **HIGH-PERFORMANCE MARKET-RATE RENTAL HOUSING – CITYWIDE**

ADOPTED UNDER THE AUTHORITY OF ARTICLE 28, SECTION 10-18  
of the Baltimore City Code

### **1.0. Background**

The Citywide version of the High-Performance Market-Rate Rental Housing Property Tax Credit is found in Section 10-18 of Article 28 of the Baltimore City Code and was enacted in response to increased demand for apartment units in Baltimore City and the need for an apartment tax credit that was broader than the High-Performance Market-Rate Rental Housing – Targeted Areas tax credit found in Section 10-17 of Article 28.

The City Council Bill providing for Section 10-18 was proposed and passed for the purpose of providing real property tax credits for certain newly constructed or converted high-performance market-rate rental housing projects throughout the City.

In 2017, a City Council Bill was proposed and passed for the purpose of extending the date for termination of this tax credit program.

In 2019, a City Council Bill was proposed and passed for the purpose of lowering the minimum number of rental units required to be constructed from 20 to 10.

### **2.0 Definitions**

#### **Previously Defined Terms**

All terms defined in City Code section 10-18 or State Tax-Property Article section 9-242 retain their provided definitions and nothing contained herein shall be construed to alter any definition provided in those sections.

### **3.0. The Credit**

The High-Performance Market-Rate Rental Housing Property Tax Credit provides a credit against the tax imposed on the increased value of real property due to improvements that were made to the property immediately before the final occupancy permit was issued. This credit begins at 80% of the tax imposed on that value in the first five years of eligibility and decreases per the schedule below for a total of ten years. The property no longer qualifies for a High-Performance Market-Rate Rental Housing Property Tax Credit in the tenth taxable year after the first year of eligibility, and every year thereafter, or sooner if continuing eligibility requirements are not met.



## **4.0. Eligibility**

### **Who is Eligible?**

Property owners qualify for the tax credit by constructing a multi-family dwelling with ten (10) or more new, high-performance, market-rate rental housing units; in compliance with the code and laws applied to dwellings; and receiving high performance certification from the Baltimore City Department of Housing and Community Development.

### **What Properties are Eligible?**

In order to be eligible, properties must:

- (1) be a newly constructed, converted, or wholly renovated building;
- (2) contain 10 or more residential rental units;
- (3) contain no units subject to governmental restrictions on the amount of rent charged or on the tenant's income level except those specifically required of that property by the Baltimore City Inclusionary Housing Program;
- (4) have construction or conversion costs exceeding \$60,000 per rental unit;
- (5) receive a first occupancy permit following the construction or conversion that is issued after January 1, 2014, and on or before June 30, 2024; and,
- (6) achieve a minimum of LEED Silver certification, the Baltimore City Green Building Code Standard Two Green Star rating, or any comparable alternative standard approved by the State of Maryland.

### **Permits and Certifications Required**

All complete applications for the High-Performance Market-Rate Rental Housing Property Tax Credit must be accompanied by a copy of the final occupancy permit issued for the property after construction/conversion was completed, copies of any building permits issued during the construction/conversion of the property, and the appropriate high performance certification from the Baltimore City Department of Housing and Community Development. Notwithstanding this requirement, an applicant should notify the Department of Finance at [Tax.Credits@baltimorecity.gov](mailto:Tax.Credits@baltimorecity.gov) if the temporary unavailability of any required document is going to delay the application submission beyond the recommended submission date.

### **When are Properties Eligible?**

Prior to the submission of any application, applicants should complete any property modifications involving subdivision of one lot into multiple lots or the consolidation of multiple lots into one lot. Any lot changes made during the application process will render any previously submitted application null and void. Any lot changes made during the term of the credit will result in the immediate revocation of the credit.

A property that meets the eligibility criteria becomes eligible for the credit with the first tax bill issued after the issuance of a final occupancy permit for the completed project. The occupancy permit must be issued after January 1, 2014, and on or before June 30, 2024.

The credit shall not be awarded until all of the eligibility criteria have been met, including the issuance of a final occupancy permit for the completed project. While the award of any tax credit issued under City Code Article 28, Section 10-18 is dependent upon the subject property obtaining a high performance certification, once such a certification is obtained credits will be applied to the first real property tax bill issued following the issuance of a final occupancy permit for the completed project and any subsequent real property tax bills issued within the eligibility period. Prior to the issuance of a credit, the property owner is liable for all taxes due and all tax bills should be paid in a timely manner in order to avoid interest, penalties, and the potential entrance of the property into tax sale.

Properties remain eligible for the credit, in amounts specified by the terms below and when in accordance with the continuing eligibility criteria outlined below, for a period of ten (10) consecutive tax years, beginning with the first tax year in which the property receives a tax bill after an occupancy permit is issued for the completed project, regardless of whether that tax bill is for a full year or a partial year. If the first tax bill that a property receives after the issuance of an occupancy permit for the completed project is a partial year bill, the property is entitled to the full amount of the credit calculated applied to all tax bills received in that tax year, up to, but not to exceed, the amount of property tax imposed on the property in that year.

**Initial applications will not be accepted after December 31, 2022.**

**How much Credit is a Property Eligible for?**

The High-Performance Market-Rate Rental Housing Property Tax Credit applies to Baltimore City Real Property Taxes only.

The amount of the High-Performance Market-Rate Rental Housing Property Tax Credit is based on the increase in the full cash value of real property due to improvements that were made to the property immediately before the final occupancy permit was issued, and cannot exceed this amount. The calculation of this increase in value is as follows:

- 1) If the property is still in the assessment cycle of the first assessment of the completed project following the issuance of an occupancy permit, the difference between the property tax liability that, but for the tax credit, is owed in the current year of the assessment cycle, and the total property tax liability on the assessed value of the property prior to the commencement of the project; or
- 2) If the property is no longer in the assessment cycle of the first assessment of the completed project following the issuance of an occupancy permit, the difference between the property tax liability that, but for the tax credit, was owed in the final year of that assessment cycle, and the total property tax liability on the assessed value of the property prior to the commencement of the project.

The actual credit applied to the real property tax bill for the property cannot exceed:

- 80% of this value in years 1 through 5;



- 70% of this value in year 6;
- 60% of this value in year 7;
- 50% of this value in year 8;
- 40% of this value in year 9;
- 30% of this value in year 10;
- 0% of this value in years 11 and after.

At no time will this credit, alone or in combination with the Enterprise Zone Tax Credit, exceed the amount of the property tax imposed on the property.

## **5.0. Applications**

The application process is a three step process that begins prior to the start of construction and does not end until the property is reassessed and a final occupancy permit is issued following the completion of the project. Applications at all stages of the process should be submitted in a timely manner as noted on the application and in accordance with the submission recommendations provided in these Rules and Regulations, must be in the format provided by the Department of Finance, and must be complete. No credit will be granted until all stages of the application have been completed, submitted to, and reviewed by the Department of Finance.

### **- Initial Application**

Prior to the initiation of construction, the initial application should be completed, submitted to, and received by, the Department of Finance. At the latest, the initial application should be completed, submitted to, and received by, the Department of Finance no later than 30 days after the issuance of the first construction permit associated with the project. Failure to notify the Department of Housing and Community Development of a project's planned "high performance" status prior to the initiation of construction may significantly delay final certification and receipt of this tax credit.

This Initial Application shall contain:

- 1) The estimated date on which construction of the project will begin;
- 2) The estimated completion date for the project;
- 3) Copies of plans for the project that have been submitted to the Department of Housing and Community Development;
- 4) A fiscal impact statement for the project, which shall include, at the minimum, the number of new dwellings being created, the number of construction and permanent jobs that the project will support, and an estimate of the impact the project will have on the City's tax base;
- 5) Photographs of the property, both exterior and interior when appropriate, prior to the initiation of the project construction;
- 6) An initial estimate of the monthly lease costs for the dwelling units being constructed, by square footage with the number of bedrooms and bathrooms provided; and

- 7) Certification from the Commission on Historical and Architectural Preservation that the property for which this credit is being sought does not qualify for a credit under Article 28, Section 10-8 of the City Code, or fall under any of the restrictions specifically mentioned in Article 28, Section 10-18(e) of the City Code.

This initial application shall be supplemented by a notification of the initiation of construction that specifies the date when actual work on the property began. This supplemental notification should be sent to the Department of Finance no later than 30 days following the actual initiation of construction.

**- Application upon Completion**

As soon as is practical following the issuance of a final permit for use and occupancy, the property owner should submit the second stage of the application, accompanied by a copy of the final use and occupancy permit. This portion of the application process will also require the property owner to submit the following:

- 1) Details regarding, and supporting documentation for, the actual cost of the improvements to the property so that it can be determined if the cost of construction equaled at least \$60,000 per unit as required by law;
- 2) Photographs of the interior and exterior of the finished project as well as any final plans that do not match the original plans submitted; and
- 3) A listing of the actual monthly lease costs for the units constructed, listed by square footage with the number of bedrooms and bathrooms provided.

Once the required documents have been provided, the Application upon Completion should be submitted. The Application upon Completion should be submitted no later than 90 days after the issuance of the final use and occupancy permit for the property. Additionally, the Application upon Completion should be submitted no later than the last day of the 18<sup>th</sup> month after submission of the Initial Application.

If a property owner has made substantial progress with a project since the date of the Initial Application, but has been unable to complete the project in the 18 months allotted, the property owner should request an extension of the Initial Application for an additional 18 months. The request must provide why the owner believes that the progress so far is substantial and the reason for the delay. The request must detail what steps the owner intends to take to ensure project completion in the subsequent 18 months. No reasonable request will be denied. However, such a request should be made to the Department of Finance at [Tax.Credits@baltimorecity.gov](mailto:Tax.Credits@baltimorecity.gov) and prior to the initial 18 months allotted. Notwithstanding any extension granted under this paragraph, all Initial Applications for projects which have not received a first occupancy permit following completion of the project on or before June 30, 2024 shall be deemed expired.

**- Final Application**



As the property will not be eligible for the credit until all of the criteria for eligibility have been met and the property has been reassessed, the property owner must submit to the Department of Finance with the final application the following:

- 1) A copy of the reassessment notice for the first reassessment occurring after the project is completed;
- 2) A signed statement that all taxes, fees, and charges due to the City on accounts associated with the property for which the credit is being sought are current upon the date of submission of the Final Application;
- 3) A copy of the high-performance certification for the property, to include both the scorecard prepared by the property owner's consultant and the approval letter from the Department of Housing and Community Development;
- 4) A letter from the Department of Housing and Community Development stating that the property:
  - a) Has met the requirements of the Inclusionary Housing program;
  - b) Has received a waiver from the requirements of the Inclusionary Housing program; or
  - c) Does not fall under the scope of the Inclusionary Housing program;and
- 5) A copy of an email to the Office of Sustainability that includes all of the attachments to all of the phases of the application for this tax credit.

Once all of the required documents have been provided and the Final Application has been submitted, the entire application will be considered closed and no future changes will be accepted. Accordingly, any changes to previously submitted information must be made prior to submission of the Final Application. Additionally, any delay in obtaining any of the required documentation that may result in the Final Application being submitted more than 30 days after the submission of the Application Upon Completion should be brought to the attention of the Finance Department as soon as possible via email to: [Tax.Credits@baltimorecity.gov](mailto:Tax.Credits@baltimorecity.gov)

#### **- Transfer Application**

The credit is transferable to subsequent owners throughout the life of the credit. However, the transferee must file a transfer application detailing the sale of the property and providing certain information on the current condition of the property, including the current vacancy rate. Additionally, the transferee is responsible for paying any transfer or other fee approved by the Board of Estimates.

#### **Where to Apply**

All applications shall be submitted electronically via the Baltimore City Department of Finance's Online Tax Credit Application System (hereinafter "the System"). This system can be accessed via the internet at the following url:

<https://propertytaxcredits.baltimorecity.gov>



All applicants will need to register with the system and create an account that will be used to grant access to the application system and may be used to apply for this and other tax credits for the property.

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant, nor for any issues beyond the control of the City of Baltimore's Department of Finance.

### **Application Fees**

Applicable application fees must be paid to the Department of Finance when the initial application is submitted. The application fees for both initial applications and transfer applications are those approved by the Board of Estimates. All application fees should be sent to the following address:

Baltimore City Department of Finance  
Office of Fiscal Integrity  
Attn: Director of Fiscal Integrity  
100 N. Holliday Street  
Baltimore, MD 21202

### **6.0. Transferability**

The High-Performance Market-Rate Rental Housing Property Tax Credit is granted to the owner of the property starting with the first reassessment after completion of the project. The credit is transferable to subsequent owners for the remaining life of the credit. A new owner must file a transfer application and submit any transfer application fee or other fee to continue the credit.

### **7.0 Continuing Eligibility**

The property owner shall insure that, during the credit period for the High-Performance Market-Rate Rental Housing Property Tax Credit, the property for which the credit was granted meets the following criteria:

- is in full compliance with the building, fire, and related codes of Baltimore City;
- maintains its high-performance rating, and;
- continues to be used for market-rate rental housing.

### **Three Year Report**

Three years from the date a final application is accepted, the owner must submit statements of actual economic impact and public benefits for the project. Public benefit measures include neighborhood revitalization impact, job creation, tax generation, and minority and women-owned business development.

### **Findings of Ineligibility**

If a property receiving the credit is found to no longer meet the continuing eligibility requirements of the credit, the credit shall be removed from the property's account and shall not be reinstated until the first tax year beginning after the eligibility issue has been remedied. Findings of ineligibility, and the resulting year or years in which the credit is not received shall have no effect on the eligibility term of the credit. This term shall remain the same 10 consecutive tax years, beginning with the tax year in which the property is issued the first tax bill following receipt of a final occupancy permit for the completed project, regardless of any ineligibility found during that period.

### **8.0. Effect of Other Property Tax Credits**

The High-Performance Market-Rate Rental Housing Property Tax Credit may not be used on a property for which any other tax subsidy from the City, whether in the form of a tax credit, payment in lieu of taxes (PILOT), tax incremental financing (TIF), or otherwise is being received or has been applied for. Notwithstanding this limitation, the property may receive Maryland State Enterprise Zone Tax Credits on non-residential portions of the multi-family dwelling structure, provided that these portions of the property are removed from the calculation of the High-Performance Market-Rate Rental Housing Property Tax Credit.

### **9.0 False Statements**

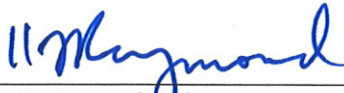
Applicants found to have mistakenly included false statements on applications for the High-Performance Market-Rate Rental Housing Property Tax Credit will be subject to the correction of any erroneously awarded credit amount in the event that the credit granted exceeded the amount the applicant was actually entitled to.

Applicants found to have intentionally included false statements on applications for the High-Performance Market-Rate Rental Housing Property Tax Credit will be subject to the permanent removal of the credit and will be liable for any credit amounts previously awarded, as well as all back taxes due with penalties and interest.

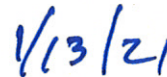


These rules and regulations are effective this day of January 14, 2021 and have been filed with the City of Baltimore Department of Legislative Reference. These rules and regulations replace the previous rules and regulations for this tax credit program which became effective on 9/2/2020.

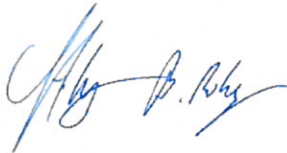
Issued and Approved:



Henry Raymond, Director  
Department of Finance



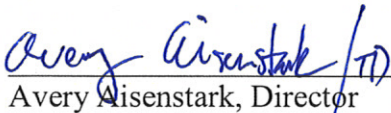
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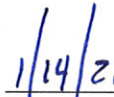
Hilary Ruley, Chief Solicitor  
Law Department

1/13/2021

Date



Avery Aisenstark, Director  
Legislative Reference



Date

**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 06 HIGH-PERFORMANCE MARKET RATE RENTAL HOUSING - TARGETED  
AREAS

Administrative History

Effective Date: March 31, 2017

# **RULES AND REGULATIONS - PROPERTY TAX CREDITS**

## **HIGH-PERFORMANCE MARKET-RATE RENTAL HOUSING – TARGETED AREAS**

ADOPTED UNDER THE AUTHORITY OF ARTICLE 28, SECTION 10-17  
of the Baltimore City Code

### **1.0. Background**

The City's High-Performance Market-Rate Rental Housing Property Tax Credit is found in Section 10-17 of Article 28 of the Baltimore City Code and was enacted in response to the passage of State legislation which created Subsection 9-242 of the State Tax-Property Article. Subsection 9-242 states that:

“The Mayor and City Council of Baltimore City may grant, by law, a tax credit against the property tax imposed on a high performance building.”

The City Council Bill providing for Section 10-17 was proposed and passed for the purpose of providing real property tax credits for certain newly constructed or converted high-performance market-rate rental housing projects in certain areas of the City.

### **2.0. The Credit**

The High-Performance Market-Rate Rental Housing – Targeted Areas Property Tax Credit provides a credit against the tax imposed on the increased value of real property, within specific geographic boundaries, due to improvements that were made to the property immediately before the final occupancy permit was issued. This credit begins at 100% of the tax imposed on that value in the first year of eligibility and decreases per the schedule below for a total of fifteen years. The property no longer qualifies for a High-Performance Market-Rate Rental Housing Property Tax Credit in the fifteenth taxable year after the first year of eligibility, and every year thereafter, or sooner if continuing eligibility requirements are not met.

### **3.0. Eligibility**

#### **Who is Eligible?**

Property owners qualify for the tax credit by constructing a multi-family dwelling with fifty (50) or more new, high-performance, market-rate rental housing units; in specific geographic areas; in compliance with the code and laws applied to dwellings; and receiving high performance certification from the Baltimore City Department of Housing and Community Development.

### **What Properties are Eligible?**

In order to be eligible, properties must:

- (1) be a newly constructed or converted building;
- (2) be located within the boundaries/areas specified in Article 28, Section 10-17, Subsection (e) of the Baltimore City Code;
- (3) contain 50 or more residential rental units;
- (4) contain no units subject to governmental restrictions on the amount of rent charged or on the tenant's income level except those specifically required of that property by the Baltimore City Inclusionary Housing Program;
- (5) have construction or conversion costs exceeding \$60,000 per rental unit;
- (6) receive a first occupancy permit following the construction or conversion that is issued after January 1, 2013; and,
- (7) achieve a minimum of LEED Silver certification, the Baltimore City Green Building Code Standard Two Green Star rating, or any comparable alternative standard approved by the State of Maryland.

### **Permits and Certifications Required**

All final applications for the High-Performance Market-Rate Rental Housing Property Tax Credit must be accompanied by a copy of the final occupancy permit issued for the property after construction/conversion was completed, copies of any building permits issued during the construction/conversion of the property, and the appropriate high performance certification from the Baltimore City Department of Housing.

### **When are Properties Eligible?**

A property that meets the eligibility criteria becomes eligible for the credit with the first tax bill issued after the issuance of a final occupancy permit for the completed project. The occupancy permit must be issued after January 1, 2013.

The credit shall not be awarded until all of the eligibility criteria have been met, including the issuance of a final occupancy permit for the completed project. While the award of any tax credit issued under City Code Article 28, Section 10-17 is dependent upon the subject property obtaining a high performance certification, once such a certification is obtained credits will be applied to the first real property tax bill issued following the issuance of a final occupancy permit for the completed project and any subsequent real property tax bills issued within the eligibility period. Prior to the issuance of a credit, the property owner is liable for all taxes due and all tax bills should be paid in a timely manner in order to avoid interest, penalties, and the potential entrance of the property into tax sale.

Properties remain eligible for the credit, in amounts specified by the terms below and when in accordance with the continuing eligibility criteria outlined below, for a period of fifteen (15) consecutive tax years, beginning with the first tax year in which the property receives a tax bill after an occupancy permit is issued for the completed project, regardless of whether that tax bill is for a full year or a partial year. If the first tax bill that a property receives after the issuance of an occupancy permit for the completed

project is a partial year bill, the property is entitled to the full amount of the credit calculated applied to all tax bills received in that tax year, up to, but not to exceed, the amount of property tax imposed on the property in that year.

Initial applications will not be accepted after the final application acceptance date specified for this credit in the Baltimore City Code. Initial applications will not be accepted unless a permit associated with the project has been issued by the City of Baltimore for the property for which the credit is sought.

All projects, regardless of application date, must begin construction no later than January 31, 2018 and must be completed, and have received a final occupancy permit for all residential units, by December 31, 2019.

Any project that will fail to complete all residential units and receive a final occupancy permit by December 31, 2019, for any reason whatsoever, may request a one-time extension of the deadline for completion if the following criteria are met:

- 1) At least 25 residential units have been completed and received use permits;
- 2) The project has an inclusionary housing plan or waiver approved by the Department of Housing and Community Development; and
- 3) The project submits a written request for an extension to the Department of Finance, prior to December 31, 2019, which includes the reason the project is not complete as well as evidence of items 1 and 2 above.

Any project submitting a timely request for extension, accompanied by the information required above, shall be granted an extension to December 31, 2020 in order to complete the project and obtain final occupancy permits for all residential units. Such an extension shall only be granted once and shall not, under any circumstances, extend the deadline for completion beyond December 31, 2020.

#### **How much Credit is a Property Eligible for?**

The High-Performance Market-Rate Rental Housing Property Tax Credit applies to Baltimore City Real Property Taxes only.

The amount of the High-Performance Market-Rate Rental Housing Property Tax Credit is based on the increase in the full cash value of real property due to improvements that were made to the property immediately before the final occupancy permit was issued, and cannot exceed this amount. The calculation of this increase in value is as follows:

- 1) If the property is still in the assessment cycle of the first assessment of the completed project following the issuance of an occupancy permit, the difference between the property tax liability that, but for the tax credit, is owed in the current year of the assessment cycle, and the total property tax liability on the assessed value of the property prior to the commencement of the project; or

- 2) If the property is no longer in the assessment cycle of the first assessment of the completed project following the issuance of an occupancy permit, the difference between the property tax liability that, but for the tax credit, was owed in the final year of that assessment cycle, and the total property tax liability on the assessed value of the property prior to the commencement of the project.

. The actual credit applied to the real property tax bill for the property is equal to:

- 100% of this value in years 1 and 2;
- 80% of this value in years 3, 4, and 5;
- 70% of this value in year 6;
- 60% of this value in year 7;
- 50% of this value in years 8, 9, and 10;
- 40% of this value in year 11;
- 30% of this value in year 12; and
- 20% of this value in years 13, 14, and 15.

At no time will this credit, alone or in combination with the Enterprise Zone Tax Credit, exceed the amount of the property tax imposed on the property.

#### **4.0. Applications**

The application process is a three step process that begins prior to the start of construction and does not end until the property is reassessed and a final occupancy permit is issued following the completion of the project. Applications at all stages of the process should be submitted in a timely manner as noted on the application, must be in the format provided by the Department of Finance, and must be complete. No credit will be granted until all stages of the application have been completed, submitted to, and reviewed by the Department of Finance.

##### **- Initial Application**

Prior to the initiation of construction, the initial application should be completed, submitted to, and received by, the Department of Finance. The initial application must be completed, submitted to, and received by, the Department of Finance no later than 30 days after the issuance of the first construction permit associated with the project. Failure to notify the Department of Housing and Community Development of a project's planned "high performance" status prior to the initiation of construction may significantly delay final certification and receipt of this tax credit.

This Initial Application shall contain:

- 1) The estimated date on which construction of the project will begin;
- 2) The estimated completion date for the project;
- 3) Copies of plans for the project that have been submitted to the Department of Housing and Community Development;



- 4) A fiscal impact statement for the project, which shall include, at the minimum, the number of new dwellings being created, the number of construction and permanent jobs that the project will support, and an estimate of the impact the project will have on the City's tax base;
- 5) Photographs of the property, both exterior and interior when appropriate, prior to the initiation of the project construction; and
- 6) An initial estimate of the monthly lease costs for the dwelling units being constructed, by square footage with the number of bedrooms and bathrooms provided.

This initial application will be supplemented by a notification of the initiation of construction that specifies the date when actual work on the property began. This supplemental notification should be sent to the Department of Finance no later than 30 days following the actual initiation of construction.

**Initial applications will not be accepted after the final application acceptance date specified for this credit in the Baltimore City Code.**

**- Application upon Completion**

Following the issuance of a final permit for use and occupancy, the property owner should submit the second stage of the application, accompanied by a copy of the final use and occupancy permit. This portion of the application process will also require the property owner to submit the following:

- 1) Details regarding, and supporting documentation for, the actual cost of the improvements to the property so that it can be determined if the cost of construction equaled at least \$60,000 per unit as required by law;
- 2) Photographs of the interior and exterior of the finished project as well as any final plans that do not match the original plans submitted; and
- 3) A listing of the actual monthly lease costs for the units constructed, listed by square footage with the number of bedrooms and bathrooms provided.

Once the required documents have been provided, the Application upon Completion should be submitted. The Application upon Completion must be submitted no later than 90 days after the issuance of the final use and occupancy permit for the property.

**- Final Application**

As the property will not be eligible for the credit until all of the criteria for eligibility have been met and the property has been reassessed, the property owner must submit to the Department of Finance with the final application the following:

- 1) A copy of the reassessment notice for the first reassessment occurring after the project is completed;
- 2) A signed statement that all taxes, fees, and charges due to the City on accounts associated with the property for which the credit is being sought are current upon the date of submission of the Final Application;

- 3) A copy of the high-performance certification for the property, to include both the scorecard prepared by the property owner's consultant and the approval letter from the Department of Housing and Community Development;
- 4) A letter from the Department of Housing and Community Development stating that the property:
  - a) Has met the requirements of the Inclusionary Housing program;
  - b) Has received a waiver from the requirements of the Inclusionary Housing program; or
  - c) Does not fall under the scope of the Inclusionary Housing program; and
- 5) A copy of an email to the Office of Sustainability that includes all of the attachments to all of the phases of the application for this tax credit.

Once all of the required documents have been provided and the Final Application has been submitted, the entire application will be considered closed and no future changes will be accepted. Accordingly, any changes to previously submitted information must be made prior to submission of the Final Application.

#### **- Transfer Application**

The credit is transferable to subsequent owners throughout the life of the credit. However, the transferee must file a transfer application detailing the sale of the property and providing certain information on the current condition of the property, including the current vacancy rate. Additionally, the transferee is responsible for paying any transfer or other fee approved by the Board of Estimates.

#### **Where to Apply**

All applications shall be submitted electronically via the Baltimore City Department of Finance's Automated Tax Credit Application System (hereinafter "the System"). This system can be accessed via the internet at the following url:

<https://propertytaxcredits.baltimorecity.gov>

All applicants will need to register with the system and create an account that will be used to grant access to the application system and may be used to apply for this and other tax credits for the property.

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant, nor for any issues beyond the control of the City of Baltimore's Department of Finance.

### **Application Fees**

Applicable application fees must be paid to the Department of Finance prior to application and proof of payment must be attached to the application. The application fees for both initial applications and transfer applications are those approved by the Board of Estimates. All application fees should be sent to the following address:

Baltimore City Department of Finance  
Bureau of Budget and Management Research  
Attn: Director of Revenue and Tax Analysis  
100 N. Holliday Street  
Baltimore, MD 21202

### **5.0. Transferability**

The High-Performance Market-Rate Rental Housing Property Tax Credit is granted to the owner of the property starting with the first reassessment following completion of the project. The credit is transferable to subsequent owners throughout the life of the credit. However, the transferee must file a transfer application detailing the sale of the property and providing certain information on the current condition of the property, including the current vacancy rate. Additionally, the transferee is responsible for paying any transfer or other fee approved by the Board of Estimates.

### **6.0 Continuing Eligibility**

The property owner shall insure that, during the credit period for the High-Performance Market-Rate Rental Housing Property Tax Credit, the property for which the credit was granted meets the following criteria:

- is in full compliance with the building, fire, and related codes of Baltimore City;
- maintains its high-performance rating, and;
- continues to be used for market-rate rental housing.

### **Three Year Report**

Three years from the date a final application is accepted, the owner must submit statements of actual economic impact and public benefits for the project. Public benefit measures include neighborhood revitalization impact, job creation, tax generation, and minority and women-owned business development.

### **Findings of Ineligibility**

If a property receiving the credit is found to no longer meet the continuing eligibility requirements of the credit, the credit will be removed from the property's account and may not be reinstated until the eligibility issue has been remedied and the property has been eligible for the credit for one full tax year following the finding of ineligibility. Findings of ineligibility, and the resulting year or years in which the credit is not received

shall have no effect on the eligibility term of the credit. This term shall remain the same 15 consecutive tax years, beginning with the tax year in which the property is issued the first tax bill following receipt of a final occupancy permit for the completed project, regardless of any ineligibility found during that period.

#### **7.0. Effect of Other Property Tax Credits**

The High-Performance Market-Rate Rental Housing Property Tax Credit may not be used on a property for which any other tax subsidy from the City, whether in the form of a tax credit, payment in lieu of taxes (PILOT), tax incremental financing (TIF), or otherwise is being received or has been applied for. Notwithstanding this limitation, the property may receive Maryland State Enterprise Zone Tax Credits on non-residential portions of the multi-family dwelling structure, provided that these portions of the property are removed from the calculation of the High-Performance Market-Rate Rental Housing Property Tax Credit.

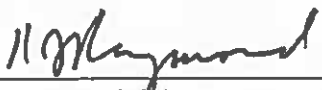
#### **8.0 False Statements**

Applicants found to have mistakenly included false statements on applications for the High-Performance Market-Rate Rental Housing Property Tax Credit will be subject to the correction of any erroneously awarded credit amount in the event that the credit granted exceeded the amount the applicant was actually entitled to.

Applicants found to have intentionally included false statements on applications for the High-Performance Market-Rate Rental Housing Property Tax Credit will be subject to the permanent removal of the credit and will be liable for any credit amounts previously awarded, as well as all back taxes due with penalties and interest.

These rules and regulations are effective this day of 3/31/17 and have been filed with the City of Baltimore Department of Legislative Reference.


Issued and Approved:

  
\_\_\_\_\_  
Henry Raymond, Director  
Department of Finance

3/31/17  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Hilary Ruley, Chief Solicitor  
Law Department

3/28/17  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Avery Aisenstark, Director  
Legislative Reference

3/31/17  
\_\_\_\_\_  
Date

**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 07 HIGH-PERFORMANCE NEWLY CONSTRUCTED DWELLINGS

Administrative History

Effective Date: January 13, 2021

# **RULES AND REGULATIONS - PROPERTY TAX CREDITS**

## **HIGH-PERFORMANCE NEWLY CONSTRUCTED DWELLINGS**

ADOPTED UNDER THE AUTHORITY OF ARTICLE 28, SECTION 10-18.1  
of the Baltimore City Code

### **1.0 Background**

The High-Performance Newly Constructed Dwellings Tax Credit is found in Section 10-18.1 of Article 28 of the Baltimore City Code and was enacted in response to the expiration of the Newly Constructed Dwellings Tax Credit previously available under Section 10-5 of the Baltimore City Code and authorized by Section 9-304(d) of the Tax-Property Article of the Maryland Code.

The City Council Bill providing for Section 10-18.1 was proposed and passed as Ordinance 19-290 on August 29, 2019 and became effective when enacted.

### **2.0 Definitions**

#### **Previously Defined Terms**

All terms defined in City Code section 10-18.1, State Tax-Property Article section 9-242, and State Tax-Property Article 9-304 retain their provided definitions and nothing contained herein shall be construed to alter any definition provided in those sections.

### **3.0 The Credit**

The High-Performance Newly Constructed Dwellings Tax Credit provides a credit against the property tax imposed on high-performance newly constructed dwellings that are owned by qualifying owners. This credit begins at 50% of the tax imposed on the qualifying property in the first full tax year in which the property qualifies and decreases by 10% in each of the four following years. The property no longer qualifies for a High-Performance Newly Constructed Dwellings Tax Credit in the sixth full tax year after the property initially qualifies, and every year thereafter, or sooner if continuing eligibility requirements are not met.

### **4.0 Eligibility**

#### **4.1 Who is Eligible?**

Property owners qualify for the tax credit by purchasing and occupying as their principal residence a high-performance newly constructed dwelling; in compliance with the code and laws applied to dwellings; and receiving high-performance certification from the Baltimore City Department of Housing and Community Development (hereinafter "DHCD"). Additionally, the property owner must file a state income tax return as a resident of Baltimore City for each taxable year for which the credit is sought and must not be receiving the credit previously authorized under Section 10-5 of Article 28 of the



City Code. In order to receive the credit authorized by Section 10-18.1, qualifying property owners must timely submit a completed application in accordance with the specifications set forth in Section 5 of these Rules and Regulations.

#### **4.2 What Properties are Eligible?**

In order to be eligible, a property must:

- (1) be either a or b:
  - a. a newly constructed dwelling that was not previously occupied and was issued a building permit on or after October 1, 1994, but before July 1, 2019 or after July 1, 2020 OR
  - b. residential real property that contains no more than four dwelling units and has been cited with a vacant building notice or 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 and is so rehabilitated and has not been previously occupied since the rehabilitation
- (2) be located within the City of Baltimore;
- (3) be purchased by the owner-occupant following completion of the dwelling, or be constructed on land that was purchased by the owner-occupant prior to construction of the dwelling;
- (4) receive an initial occupancy permit following the construction or conversion that is issued before June 30, 2021; and
- (5) meet the standards set forth in State Tax-Property Article 9-242(a). All determinations of eligibility with respect to a dwelling's high-performance status are made by DHCD.

#### **4.3 Permits and Certifications Required**

All final applications for the High-Performance Newly Constructed Dwellings Tax Credit must be accompanied by a copy of the final occupancy permit issued for the property after construction/rehabilitation was completed, copies of any building permits issued during the construction/rehabilitation of the property, and a copy of the Closing Disclosure form issued to the purchaser at the time of settlement on the new dwelling or the land on which it was built. If no occupancy permit is issued to the property prior to settlement, the property owner should submit an application with a letter noting that no occupancy permit was issued to the property prior to settlement. All other required documents available at the time of application must be submitted with the application in order for it to be considered complete. Failure to submit an application in a timely manner will not be excused due to the lack of issuance of an occupancy permit.

#### **4.4 When are Properties Eligible?**

A property that meets the eligibility criteria and has an approved application becomes eligible for the credit with the first full-year tax bill issued after the latest of the High-Performance Certification Date, the date on which the Use and Occupancy Permit was issued, or the date of settlement. The issuance of a final occupancy permit for the completed dwelling, the timely submission of a completed application for the tax credit, and the certification of the property as a high-performance newly constructed dwelling by the DHCD are all required in order for a property's application to be approved. The



occupancy permit must be issued before June 30, 2021. The application for the tax credit must be submitted in a timely manner as specified in section 5 of these Rules and Regulations.

The credit shall not be awarded until all of the eligibility criteria have been met. The award of any tax credit issued under City Code Article 28, Section 10-18.1 is dependent upon the subject property obtaining a high-performance certification. No credit shall be issued until such time as the property is certified by the DHCD as a high-performance newly constructed dwelling. DHCD shall issue a certification that to the extent possible provides a certification date that reflects the date on which the property became a High-Performance building. Once such a certification is obtained, credits will be awarded on the first five full-year real property tax bills after the latest of the High-Performance Certification Date, the date on which the Use and Occupancy Permit was issued, or the date of settlement. In the event DHCD denies certification, DHCD will provide a letter identifying the reason for the denial. Prior to the issuance of a credit, the property owner is liable for all taxes due and all tax bills should be paid in a timely manner in order to avoid interest, penalties, and the potential entrance of the property into tax sale.

Properties remain eligible for the credit, in amounts specified by the terms below and when in accordance with the continuing eligibility criteria outlined below, for a period of five (5) consecutive tax years, beginning with the first full tax year following the latest of the High-Performance Certification Date, the date on which the Use and Occupancy Permit was issued, and the date of settlement.

**Applications will not be accepted after the final application acceptance date specified for this credit in the Baltimore City Code.**

## **5.0 Applications**

Applications for the High-Performance Newly Constructed Dwellings Tax Credit should be submitted in a timely manner as noted in section 5.1, must be in the format provided by the Department of Finance, and must be complete.

### **5.1 When to Apply**

**Applicants must submit a completed application within 90 days after settling on the purchase of the newly constructed dwelling.** For applicants that have constructed a dwelling on land that they purchased prior to the initiation of construction of the dwelling, an application must be submitted within 90 days of the issuance of a final occupancy permit for the dwelling and must include complete documentation of the construction cost of the new dwelling. Failure to submit an application in a timely manner will not be excused due to delays in the recordation of the deed reflecting the transfer or delays in the processing of a purchasers Homeowner status by the State Department of Assessments and Taxation.

For all applicants that have purchased a newly constructed dwelling, ALL applications must be submitted within 90 days of settlement.



## **5.2 Where to Apply**

All applications shall be submitted electronically via the Baltimore City Department of Finance's Automated Tax Credit Application System (hereinafter "the System"). This system can be accessed via the internet at the following url:

<https://propertytaxcredits.baltimorecity.gov>

All applicants will need to register with the system and create an account that will be used to grant access to the application system and may be used to apply for this and other tax credits for the property.

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant, nor for any issues beyond the control of the City of Baltimore's Department of Finance.

## **5.3 Certification following Application**

Once an application is submitted electronically via the System, the Department of Finance shall provide the relevant details of the subject property to DHCD for certification of the property as a high-performance newly constructed dwelling within the specifications set out by Section 9-242 of the State Tax-Property Article.

Certification of a newly-constructed dwelling that was built on vacant land shall involve, after the submission of a timely application, a review of plans submitted to DHCD to determine whether or not the dwelling was constructed according to the high-performance elements of the Baltimore City Residential Building Code.

Dwellings constructed prior to 2015 or that were substantially renovated without obtaining a new construction plan number and plan approval from the Department of Housing and Community Development Permit Center, may only qualify for high-performance tax credit by completing one of the following three paths:

### **Achieve a LEED Silver Rating**

The U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) System rating of Silver or higher must be achieved to obtain the tax credit. A copy of the certification letter from LEED must be provided to Finance within 30 days of receipt.

### **Achieve a NGBS (ICC 700) Silver Rating**

The National Green Building Standard (ICC 700) rating of Silver or higher must be achieved to obtain the tax credit. A copy of the approved certification from the NGBS consultant as hired by the owner/developer must be provided to Finance within 30 days of the date of the certification.

### **Achieve HERS Index of 80 or lower**

The Home Energy Rating System (HERS) Index measures overall energy efficiency. Dwellings must receive a HERS Rating of 80 or lower and must achieve an increase in



energy efficiency of at least 20 percent. The HERS rating must be completed by a certified HERS energy rater and the results as provided by the certified energy rater must be submitted to Finance within 30 days of the rating being completed.

Under no circumstances shall independent communications with DHCD in pursuit of Certification, or for any other reason, substitute for the timely submission of an application. Furthermore, failure to submit any Certification documentation within 30 days of receipt shall result in the rejection of the tax credit application and the inability to reapply.

#### **6.0 Transferability**

The High-Performance Newly Constructed Dwellings Tax Credit is not transferrable to subsequent owners of the property.

#### **7.0 Continuing Eligibility**

The property owner shall insure that, during the credit period for the High-Performance Newly Constructed Dwellings Tax Credit, the property for which the credit was granted meets the following criteria:

- is in full compliance with the building, fire, and related codes of Baltimore City;
- maintains its high-performance rating; and
- continues to be the applicant-property owner's principal residence.

Additionally, the credit recipient must, for each taxable year for which the credit is sought, file a state income tax return as a resident of Baltimore City.

#### **8.0 Findings of Ineligibility**

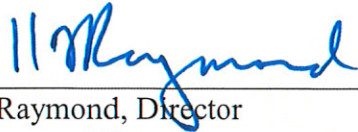
If a property receiving the credit is found to no longer meet the continuing eligibility requirements of the credit, the credit will be removed from the property's account and may not be reinstated until the issue has been remedied. Findings of ineligibility, and the resulting year or years in which the credit is not received shall have no effect on the eligibility term of the credit. This term shall remain the same five (5) consecutive tax years, beginning with the first full tax year in which the property qualifies for the tax credit, regardless of any ineligibility found during that period.

#### **9.0 Effect of Other Tax Credits**

The High-Performance Newly Constructed Dwellings Tax Credit may not be awarded to any property already receiving a tax credit that was awarded under Section 10-5 of Article 28 of the Baltimore City Code. Furthermore, the calculation of the credit awarded under Section 10-18.1 shall be made prior to the application of any tax credit awarded under Section 9-229 of the State Tax-Property Article, but after the application of any credit awarded to the property under Sections 9-104 and 9-105 as well as any other Special Tax Credit other than the credit awarded under Section 9-229 of the State Tax-Property Article.

These rules and regulations are effective this day of January 13, 2021 and have been filed with the City of Baltimore Department of Legislative Reference.

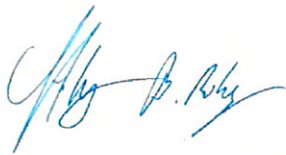
Issued and Approved:



Henry Raymond, Director  
Department of Finance

1/13/21

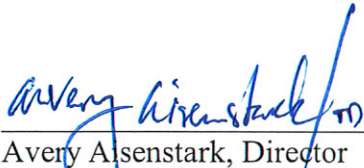
Date



Hilary Ruley, Chief Solicitor  
Law Department

11/17/2020

Date



Avery Aisenstark, Director  
Legislative Reference

1/13/21

Date

**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 08 HISTORIC RESTORATIONS AND REHABILITATIONS

Administrative History

Effective Date: December 14, 2020

# **RULES AND REGULATIONS - PROPERTY TAX CREDITS** **HISTORIC RESTORATIONS AND REHABILITATIONS**

## **1.0 Background**

These rules and regulations are issued pursuant to the authority granted to the Director of Finance by Section 10-8(k) of Article 28 of the City Code

## **2.0 Goal**

Legislation sets forth the following goal for the program:

“ . . . to help preserve and revitalize Baltimore’s neighborhoods by encouraging home and business owners to make special efforts to restore or rehabilitate historic buildings.”

## **3.0 Definitions**

- 3.1 The terms “construction cost,” “total cost,” and “development costs”, are defined to include documented expenses for the following: architectural design, appraisal, engineering, demolition, site preparation, restoration, alteration, interior and exterior work, including all electrical, plumbing, mechanical and related work required to be permitted under the Baltimore City Building, Fire and Related codes, and interior and exterior finish work normally associated with historic projects, and all work of the type requiring an “Authorization to Proceed” from the Commission for Historical and Architectural Preservation (CHAP), whether or not a particular property is subject to CHAP review for purposes other than application for this tax credit (National Register Historic District and National Register Landmark properties).
- 3.2 The term “work beginning” shall mean any work tasks of the type requiring an Authorization to Proceed from CHAP before work may commence on a building or in a district subject to the jurisdiction of CHAP, or any interior work. This same definition shall apply to any property or project not subject to the jurisdiction of CHAP and issuance of Authorization to Proceed, but eligible to apply for this credit (*i.e.*, properties in National Register Historic Districts or National Register Landmark properties).
- 3.3 The term “In-Cycle General Reassessment” means that properties are valued once in a three-year cycle, based on an external physical inspection. In Maryland, increases in property values are phased-in so that one third of the increase between the current value and the new value is added to the prior year’s phased-in value. Reassessment for new construction within any year of a three-year cycle is performed only when there is a change in the use of a property or an increase in value greater than or equal to \$100,000.

- 3.4 The term “City Homestead Tax Credit” means a credit calculated on any annual assessment increase exceeding the local government limit.
- 3.5 The term “Appraisal” means a valuation report prepared by a Certified Residential Real Estate Appraiser or a Certified General Real Estate Appraiser licensed under the Business Occupations and Professions Article, Title 16, Subtitle 3, of the Maryland Code, and conforming to all requirements included in these rules and regulations and any appendices thereto, with particular attention given to Appendix A and Appendix B specifying the scope of work required for appraisals to be accepted for this credit.
- 3.6 The term “Director of Finance” means the Baltimore City Director of Finance or any employee or agency of the City to which the Baltimore City Director of Finance has delegated administrative responsibilities for this credit.
- 3.7 The term “Tax Year” is defined as a 12-month period, or any portion thereof, beginning on July 1 of a calendar year.
- 3.8 The term “date an application is accepted” means the date on which an application is granted Final Certification.
- 3.9 Notwithstanding any of the above definitions, no term herein defined shall be in conflict with an existing definition found in Article 28, Section 10-8 of the Baltimore City Code or in Section 9-204.1 of the Tax-Property Article of the Maryland Code.

#### **4.0 Applications**

##### **4.1 For All Applications:**

All applications shall be submitted electronically via the Baltimore City Department of Finance’s Automated Tax Credit Application System (hereinafter “the System”). The System can be accessed via the internet at the following URL:

<https://propertytaxcredits.baltimorecity.gov/PropertyTaxCredits/>

All applicants will need to register with the System and create an account that can be used to apply for this credit and any other applicable credits.

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant and no extensions shall be granted regarding any of the time requirements outlined below due to issues beyond the control of the City of Baltimore’s Department of Finance.

Tax credit applications must be submitted, via the System, for preliminary review by CHAP prior to any work beginning on a project in eligible areas or on eligible lists of designated properties, whether in national or local district or list designations. No other review for purposes of establishing compatibility with local historic preservation standards may be substituted for a review approved by CHAP. The

qualifying review must be done specifically in conjunction with, and at the time of, a tax credit application in order to receive preliminary approval from CHAP. No work on the property shall be considered for the purposes of this credit if said work was begun prior to the initial appraisal of the property for credit purposes. Additionally, any work occurring between the time the application is submitted and the issuance of preliminary approval by CHAP, absent the express written permission of CHAP for the work being undertaken prior to the issuance of preliminary approval and the completion of the review of the pre-improvement appraisal by the Department of Finance, shall render the property ineligible for the credit. Only non-emergency work of the following types will be considered for approval by CHAP prior to the issuance of preliminary approval:

- Basement Excavation
- Underpinning
- Removal of Formstone
- Other work CHAP and the Department of Finance deem necessary and appropriate to be approved and undertaken prior to the approval of the entire project.

This preliminary certification shall be issued by CHAP, in writing, and shall be submitted, via the System, to the Director of Finance. Projects are reviewed individually to determine whether the proposed work meets the Baltimore City Historic Preservation Design Guidelines. Any application that has not received preliminary approval from CHAP within 180 days of requesting it shall be deemed to have expired without further notice.

An additional qualifying review shall be required following the completion of improvements in order to receive final credit approval. Any work done after submission for final approval, or any subsequent appreciation in the appraised value of the property, shall not be considered in the calculation of the credit. However, any work done during the 10-year period of the credit must adhere to CHAP design guidelines. Failure to adhere to these guidelines shall result in the revocation of the tax credit.

If the applicant appeals the base year assessment to SDAT, the applicant must notify the City that the appeal has been filed. To notify the City of the outstanding appeal, the applicant must check the appropriate box on the application. However, all applicants should be aware that an application awaiting the result of an assessment appeal is ineligible to receive preliminary certification and should not submit the application until the appeal is finalized. Once the appeal is finalized, the applicant must upload to the system a copy of the final notice from SDAT that reflects the outcome of the appeal. PLEASE NOTE: Completing an appeal for the following tax year will not affect the floor or the base for a credit if the application is submitted prior to the start of the tax year in which that new assessment is effective. For any questions regarding when the results of an appeal will be effective, please contact the State Department of Assessments and Taxation.



Prior to the submission of any application, applicants should complete any property modifications that involve subdivision of one lot into multiple lots or the consolidation of multiple lots into one lot. Any failure to complete a subdivision/consolidation and receive the necessary updated assessments on the properties for which the credit is sought prior to applying for the credit, shall render the application void.

Applications and supporting documentation must be filed, via the System, for review by CHAP. Failure to provide copies of all required documentation with the submitted application will disqualify a project.

No application for this credit shall be reviewed until the City has received and processed the application fee set by the Board of Estimates. This fee should be submitted to the appropriate authority in accordance with the instructions provided on the System at the time of application.

- 4.2 For projects with construction costs in excess of \$3.5 million. Applicants must provide with the application:
- 4.2.1a all documents requested by the Finance Director;
  - 4.2.1b documentation reviewed by the developer with the State Department of Assessments and Taxation to support a preliminary estimate of value for tax purposes based on construction costs and projected income;
  - 4.2.1c a statement of projected economic impact and public benefits for the project which will include projected neighborhood revitalization, job creation, tax generation, and minority business development impacts and benefits;
  - 4.2.1d a certification from the Baltimore Development Corporation that states what portion of the project, if any, is eligible for the Enterprise Zone Real Property Tax Credit program; and either
    - 4.2.2a proof that the existing building in question was at least 75% vacant for at least three years;
    - 4.2.2b documentation supporting the claim that the project is a high-performance market-rate rental housing project, as these terms are defined in Article 28, Section 10-18(a)(2) {"Definitions: High-performance"} and (a)(3) {"Definitions: Market-rate rental housing project"} of the Baltimore City Code; or
    - 4.2.2c any documentation or other evidence that would otherwise demonstrate to the Finance Director that the credit is necessary for the project to proceed.

#### 4.3 Special requirement for projects with construction costs in excess of \$3.5 million.

Three years from the date an application is accepted, the applicant must provide to the Finance Department, via the email address provided at the end of this paragraph, a statement of the actual economic impact and public benefits derived from the project in terms of neighborhood revitalization, job creation, tax generation and minority business development. The Finance Department will review and compare the statements of estimated and actual economic impact and public benefits. Failure to provide this statement within four years of the date an application is accepted will result in the credit being permanently removed from the Property. Statements should be sent to: [Tax.Credits@baltimorecity.gov](mailto:Tax.Credits@baltimorecity.gov)

#### 4.4 Processing applications for projects with construction costs in excess of \$3.5 million.

The applicant will provide an application and supporting documentation to CHAP and the Finance Department via the System. The Finance Department will review for verification that the property has been vacant for 3 years prior to the application. Where the property has not been 75% vacant for each of the 3 years, the Finance Department will evaluate the necessity of the credit for the project to proceed based on the information submitted by the applicant as required by paragraph 4.2 (2) of these rules and regulations. Information required to do the analysis will be provided by the applicant in the form required by the Finance Department. In addition, the Finance Department will review the statement of projected economic impact and public benefits to verify that the required components of the statements are included. The Finance Department will not recommend that CHAP issue a preliminary certification until it confirms that these statements are complete and acceptable and, where applicable, the necessity of the credit has been determined.

#### 4.5 Expiration of Application

Any application for this credit which has not received final certification within the required time as specified in this paragraph shall be deemed to have expired and shall be of no further effect. Properties which have not yet received an extension and for which applications are due to expire shall be given notice and shall have 30 days from the date of the notice to request an extension of the timeframe for expiration of the application. Such a request, if granted shall result in the extension by the original application period. Only one such extension shall be granted per application.

##### 4.5.1 Application expiration for projects with values less than or equal to \$3.5 Million

Any application that has not received final certification within two years of receiving preliminary certification, and has not been granted an extension, shall be deemed to have expired. Any application that has been granted an extension but had not received final certification within four years of receiving preliminary certification shall be deemed to have expired with no additional notice required.

#### 4.5.2 Application expiration for projects valued in excess of \$3.5 Million

Any application that has not received final certification within three years of receiving preliminary certification, and has not been granted an extension, shall be deemed to have expired. Any application that has been granted an extension but had not received final certification within six years of receiving preliminary certification shall be deemed to have expired with no additional notice required.

#### 4.6 Application Materials

All materials submitted for the purposes of obtaining this tax credit are the property of the City of Baltimore and may be used for data collection, reporting and publication purposes where appropriate with the exception of information that is considered proprietary or confidential under the Maryland Public Information Act or other applicable law. Requests to review property files not otherwise made publicly available must conform to the requirements of the Maryland Public Information Act.

### **5.0 Eligibility**

#### 5.0.1 Eligible properties

Properties must:

1. meet a historic designation test;
2. meet a test for significant improvements;
3. be compatible with local historic preservation standards;
4. receive both preliminary and final certifications, in writing, from CHAP; and
5. comply with all other requirements of these Rules and Regulations.

#### 5.0.2 Historic designation of eligible properties

Properties must be:

1. listed individually on the National Register of Historic Places;
2. located in a National Register Historic or Landmark District;
3. designated on the Baltimore City Landmark List; or,
4. located in a district designated as a Baltimore City Historic and Architectural Preservation District and certified by CHAP as contributing to the historic significance of that district.

#### 5.0.3 Ineligible projects/properties - construction costs more than \$3.5 million

Projects not eligible for the credit include those where the construction costs exceed \$3.5 million and the property is completely eligible for the Enterprise Zone Real Property Tax Credit program.

#### 5.0.4 Significant Improvements

Only projects where “significant improvements” have been made are eligible to receive the credit. “Significant improvements” means the total documented cost of the approved rehabilitation equals or exceeds 25% of the property’s current full cash value prior to rehabilitation as reflected in the real property assessment records at the time of application. See definitions, Section 3.1, for “total cost.”

#### 5.1 Determination of Final Eligibility

- 5.1.1 CHAP must certify that all completed work conforms to the plans submitted and given preliminary certification.
- 5.1.2 Before final certification can be requested, the applicant must provide to CHAP, via the System, final copies of all building and other permits required under City Code for the project including all necessary inspection certificates.
- 5.1.3 A project will not be eligible for final certification for a tax credit if the project fails to be completed in accordance with the plans initially approved by CHAP, including any changes required by CHAP to secure an Authorization to Proceed. Additionally, any work done in addition to the work required to complete the project in accordance with the plans initially approved by CHAP, with the exception of standard maintenance, will render the property ineligible for the credit. Approval for any work necessary to complete the project that was not included in the original plans should be requested via a Project Amendment. Project Amendments, including but not limited to, changes in the project scope, project plans, property owner, or credit applicant, should be provided to CHAP in writing and uploaded to the System. Failure to notify CHAP of any such changes shall result in the revocation of the application and/or credit if the credit has already been awarded at the time the change is discovered. If a credit is revoked for failing to notify CHAP of such changes, the property owner shall have 90 days to reverse the unapproved changes and have CHAP verify compliance with the original plans approved by CHAP. If a property owner fails to cure the issue in this time period, the property owner shall be liable for any credit amounts awarded between the time the unauthorized changes were made and the time they were discovered with no further notice required.
- 5.1.4 All applicants must provide to CHAP and the Finance Department, via the System, a notarized statement detailing project costs prior to requesting final certification and, if requested, copies of all receipts for the work performed and materials purchased.
- 5.1.5 Any application submitted for Final Certification that is submitted without all of the required documentation shall be deemed ineligible to proceed and shall be rejected without further review. The inclusion of any “placeholder” type documents, deemed to be lacking the substantive content and completeness of the required documentation, in an application that has been submitted for Final Certification shall be grounds for the immediate rejection of the application without further review.

- 5.1.6 CHAP shall provide to the Director of Finance, via the System, a copy of the final certification, issued by the appropriate authority.
- 5.1.7 Any application that has not received Final Certification within 180 days after submitting a request for Final Certification shall be deemed to have expired without further notice.

## 5.2 Continuing eligibility

To continue to receive the credit the property owner shall:

1. maintain the major historic features of the property, including, but not limited to, those identified and required by CHAP and reflected in the historic preservation standards utilized during the tax credit application review process;
2. maintain the property in compliance with the City Building, Fire and Related Codes; and
3. when applicable, submit all economic impact statements required under paragraphs 4.2 and 4.3 of these rules and regulations.

CHAP and the Department of Finance retain the right to revoke any preliminary or final certification where it is determined that the certification was issued in error and on the basis of missing, inaccurate, or fraudulent material or information provided by any party. Further, for the life of the credit, CHAP and the Department of Finance maintain a right to conduct, based on a reasonable belief that ongoing eligibility criteria are not being met, a physical inspection of the exterior of any building receiving the credit. If such an inspection results in a finding that the property is failing to maintain the necessary conditions of continuing eligibility, the credit shall be immediately removed and the property owner shall be provided written notice of the lack of compliance and given 90 days to bring the property into compliance with necessary conditions to maintain continuing eligibility. If the property is brought back into compliance within 90 days, the credit shall be restored. If the property is not brought back into compliance in 90 days, the credit will be permanently revoked.

## 5.3 Transferability of Credit

The credit is transferable to subsequent owners. Once a credit is granted it will automatically transfer to a subsequent owner for the remaining term of the credit provided that the new owner meets the "continuing eligibility" requirements outlined in Section 5.2. The new owner bears all responsibility for collecting from the prior owner or CHAP any information regarding the work that was done on the property to qualify for the credit. Lack of knowledge of the improvements completed to qualify for and obtain the credit shall not be a defense to an alteration of said improvements that results in the loss of the credit.

**6.0 Term of Credit, Commencement of Credit Term, Revocation of Credit**

The credit is for a period of 10 tax years. This period for which the property is eligible to receive the credit shall begin with the first tax bill after the final certification has been granted and shall not be dependent upon the reassessment of the property following the completion of the qualifying improvements. Any initial credit for a partial year shall count as the first full year of the credit and 9 years of eligibility shall remain.

Prior to applying for the credit, throughout the period of improvement to the property, and during the term of the credit itself, it is the applicant's responsibility to ensure that all work adheres to the requirements of both the City Code and these Rules and Regulations. Neither the Department of Planning, the Department of Finance, nor any other City representative, has the authority to approve any work which does not comply with these requirements. Further, the discovery, at any time, of work or improvements which do not adhere to these requirements shall result in the immediate rejection of the tax credit application and/or revocation of any credit that has already been awarded for a project that includes such non-conforming improvements.

**7.0 Calculation of Amount of Credit**

- 7.1 The credit is applied to City real property taxes only.
- 7.2 The tax credit equals the difference between the City real property tax on the Post improvement full cash value and the City real property tax on the Base year full cash value. These values are determined in accordance with the requirements set forth in Section 7.3 of these rules and regulations and subject to the limitations set forth below and in Section 7.7 of these rules and regulations. If there was no increase in the full cash value of the property after rehabilitation/renovation, no tax credit shall be granted.

For projects with construction cost less than or equal to \$5.0 million the percentage of the credit granted each year is:

Years 1 through 10	100%
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For projects with construction costs more than \$5.0 million, for the portion of the property not eligible for the Enterprise Zone Tax Credit, the percentage of the credit granted each year is:

Years 1 through 5	80%
Year 6	70%
Year 7	60%
Year 8	50%
Year 9	40%
Year 10	30%



7.3 The increase in full cash value to be used in the credit calculation is computed only once and shall be computed in accordance with the following schedule:

7.3.1 For properties that have received preliminary certification from CHAP prior to October 1, 2014 the full cash value of the property before and after the qualifying improvements are made shall be the corresponding full cash values, before phase in, as determined by the State Department of Assessments and Taxation through the assessment procedures established under Tax-Property Article of the Maryland Code.

7.3.2 For properties that have received preliminary certification from CHAP after October 1, 2014, the full cash value of the property before and after the qualifying improvements are made shall be the corresponding full cash values as determined by appraisals of the property before commencement and after completion of the eligible improvements.

Appraisals shall be conducted by a Certified Appraiser as specified in subsection 3.5 of these Rules and Regulations and shall conform to the appropriate requirements set forth in APPENDIX A and APPENDIX B of these rules and regulations governing the scope of work required for appraisals of residential and non-residential properties. All appraisals shall be accompanied by documentation that supports the applicant's legal interest in the property. This supporting documentation shall be any of the following:

- A properly recorded Deed to the subject property, reflecting the applicant's ownership
- An executed HUD1, or other official closing disclosure statement, reflecting the transfer of the property to the applicant
- A current Real Property Tax Bill for the subject property, reflecting the applicant as the property owner; or
- A Contract for the sale of the subject property, reflecting the applicant as the buyer

All pre-improvement appraisals must be completed and submitted within 90 days of the initial submission of the tax credit application.

Furthermore, all post-improvement appraisals must be completed and submitted within 90 days of the issuance of the final Use and Occupancy Permit for the subject property if a Use and Occupancy Permit is required.

If a Use and Occupancy Permit is not required for the project, the post-improvement appraisal must be completed and submitted within 90 days of the last permit inspection completed. No work that is completed following the issuance of a final Use and Occupancy Permit, or the last permit inspection for those properties for which a Use and Occupancy Permit is not required, shall be considered in the post-improvement

appraisal or be eligible for the benefit of the tax credit. Final approvals by CHAP and the Director of Finance shall not be issued until the post-improvement appraisal has been completed, submitted, reviewed, and accepted by the Department of Finance.

All applicants must provide, at their sole expense, both a pre-improvement appraisal and a post-improvement appraisal conducted by a private appraiser. In order to be accepted for review, any appraisal must be conducted by a professional appraiser Certified under the Business Occupations and Professions Article, Title 16, Subtitle 3, of the Maryland Code, and shall conform to the appropriate requirements set forth in Appendix A and Appendix B of these rules and regulations governing the scope of work required for appraisals of residential and non-residential properties. All submitted appraisals become the property of Baltimore City and shall be subjected to professional review up to and including field reviews by City personnel.

- 7.4 For projects on which the renovation cost is equal to or less than \$3.5 million the historic tax credit shall be reduced by the amount of the credit, if any, for which the property is eligible under the Maryland Enterprise Zone Tax Credit Program. For projects on which the renovation cost is over \$3.5 million the historic tax credit will be applied to the portion of the property (as established by SDAT) that is not eligible (as established by SDAT) for the Maryland Enterprise Zone Tax Credit Program.
- 7.5 The credit term always commences after final certification by CHAP and the Director of Finance. The property owner shall, at all times, be responsible for the payment of all taxes billed. For those credits which received preliminary approval prior to October 1, 2014, credit amounts will not be calculated until the property is reassessed following the completion of improvements. Upon the reassessment of the property, credit amounts will be calculated for each eligible year which has elapsed and the proper amounts will be refunded to the current property owner. The property owner will not be reimbursed for any amount of interest or penalties which may accrue based on the failure of the property owner to pay the taxes billed by the provided due date.
- 7.6 The tax credit does terminate, however, if the property is altered (before the end of the ten years) so that it no longer complies with the rehabilitation standards by which the property obtained eligibility, if any major historic feature of the property is removed, or if the property for which the credit was granted fails to comply with the City Building, Fire, and Related Codes Article.

7.7 No part of this tax credit may be applied in any tax year:

7.7.1 To reduce the property's tax liability for that tax year, after application of any other applicable tax credit, to less than the tax liability to which the property was subject, after application of any other applicable tax credit, at the time that the preliminary approval was issued and prior to the commencement of the eligible improvements.

7.7.2 In any case in which the property's tax liability for that tax year, after application of any other applicable tax credit, is less than the tax liability to which the property was subject, after application of any other applicable tax credit, at the time that the preliminary approval was issued and prior to the commencement of the eligible improvements.

## **8.0 Tax Subsidy Duplication**

With the exception of the Maryland Enterprise Zone Tax Credit program, this credit does not apply to any property for which a local optional real property tax subsidy is being received or has been applied for. For purposes of this section, a tax subsidy may take the form of a tax credit, payment in lieu of taxes, or otherwise.

The Historic tax credit can be combined with the Homestead and Homeowner's tax credits because the Homestead and Homeowner's tax credits are State mandatory tax limits not City tax credits.

Once a project has been approved for the historic tax credit, no new application for an historic tax credit can be submitted for the property until the 10-year term of the tax credit has expired.

## **9.0 Program Sunset Provision**

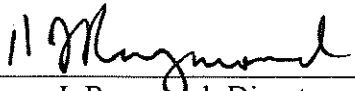
No new applications for the tax credit may be filed after February 28, 2022.

## **10.0 Criminal Penalties**

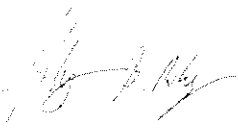
Any person who knowingly makes a false statement on or in connection with an application for a tax credit under this section or in connection with any report or statement supporting a property's continued eligibility for a tax credit granted under this section is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000 or to imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

These rules and regulations are effective this day of 12/14/20 and have been filed with the City of Baltimore Department of Legislative Reference.

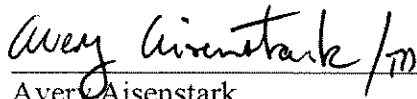
Issued and Approved:

  
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Henry J. Raymond, Director  
Department of Finance

12/14/20  
\_\_\_\_\_  
Date

  
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Hilary Ruley  
Law Department

12/14/2020  
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Avery Aisenstark  
Legislative Reference

12/14/20  
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Note: These rules and regulations replace the ones made effective June 23, 2017.

## **APPENDIX A to the HISTORIC TAX CREDIT RULES AND REGULATIONS**

### **SCOPE OF WORK FOR THE VALUATION OF SINGLE-FAMILY RESIDENTIAL DWELLINGS**

The following Scope of Work (SOW) is for the valuation of single-family residential dwellings which submitted for the calculation of the property's CHAP Tax Credit.

#### **1.0 INTRODUCTION**

The valuation report must be completed in accordance with the Uniform Standards of Appraisal Practice (USPAP) and comply with Scope of Work as provided herein. The appraiser must be currently certified by the Maryland Commission of Real Estate Appraisers and Home Inspectors.

#### **2.0 CONTENTS**

All appraisal reports for single-family residential dwellings must include the items listed in part 2.0

**2.1 REQUIRED DEFINITION OF VALUE.** The value to be appraised is the Market Value which is defined as:

*“The amount of cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.”*

- *Dictionary of Real Estate Appraisal, 14<sup>th</sup> ed., 2013.*

The report will contain this definition and **only** this definition of Market Value within the content of the report, or any addenda or glossary attached to the report.

**2.2 INTENDED USE AND USERS OF THE APPRAISAL.** The intended use of the appraisal is to provide an opinion of the value of the asset for the City of Baltimore for use in calculating the appropriate Historical Tax Credit for the asset and any related use where the value of the property is in question. The intended users of the appraisal are the City of Baltimore Department of Finance for the purposes listed above and the purchasing entity or current owner for the purpose of applying for this tax credit.

**2.3 DATE OF VALUE.** The date of value will be the same date as the date of the latest comprehensive inspection of the asset.

## **2.4 EXHIBITS.**

**2.4.1 PHOTOGRAPHS.** Pictures of the subject shall show at least the front and rear elevations of the major improvements, a street scene, and any salient features (significant deferred maintenance or other value impacting conditions or features). Each subject photograph shall indicate the date the photograph was taken and the camera's direction of view.

At a minimum, each valuation report is to contain interior photographs of all bathrooms, kitchen, and views of living spaces.

Views of the comparable properties are to be included and are not to be taken from the Metropolitan Regional Information System or other similar data sources.

**2.4.2 MAPS.** Legible location maps of the subject property and the comparable properties must be included.

**2.5 APPRAISER'S CERTIFICATION.** All appraisers who sign any part of the report will provide a certification as required by the licensing board in the State of Maryland and by USPAP. This shall include a statement that signatories have no undisclosed interest in property, that they have personally inspected the premises, the date of such inspection and the amount of value estimates. Any hypothetical conditions required by these specifications must be included within the certification.

**2.6 REGIONAL AND CITY ANALYSIS.** In a concise manner, the appraisal report must discuss the pertinent aspects of the asset's city and or region (e.g. geographic, legal, social and economic factors). Include a succinct description of the regional market for the asset's property type. This data should include such information as affects the appraised property together with the appraiser's conclusions as to significant trends.

**2.7 NEIGHBORHOOD DATA.** The appraisal report must clearly define the asset's neighborhood, including boundaries, land use patterns, transportation issues, vacant land (especially developable land), as well as the lifecycle of the neighborhood (e.g. developing, stable, declining, redeveloping). The appraisal report must include a description of the local market for the asset's property type, and any other characteristics that have an impact on the asset's value, either positive or negative (vacancy rates, market rents, and absorption). The appraisal report must provide a comparative analysis of the subject property within the context of its market.

## **2.8 PROPERTY DATA -**



**2.8.1 LEGAL DESCRIPTION** - This description shall be sufficient to properly identify the property appraised.

**2.8.2 SITE** – The site description must be based on information from the appraiser’s inspection, and other data as may be gathered from publicly recorded or other reliable sources. It must describe the relevant characteristics of the site (both positive and negative) that impact the site’s use and value. This includes the site’s location, size, shape, access, ingress/egress, topography, utilities, easements, off-site improvements, any excess land, and any other relevant factors. It must also discuss any issues that impact the functionality of the site, such as drainage and flood plain.

**2.8.3 ENVIRONMENTAL ANALYSIS** - While appraisers are not normally expected to be environmental experts, the appraiser should make a reasonable attempt to discover if there is contamination on the property. The appraiser shall note in the report any observed, suspected or other knowledge of environmental contamination and its impact on the value of the property.

**2.8.4 LEGAL RESTRICTIONS** – The report must discuss any other legal restrictions (binding agreements, covenants, easements, transferable development rights), and/or other regulations (historic designations or local comprehensive plans) that would impact the value of the site under private ownership.

**2.8.5 IMPROVEMENTS** - The report must describe the improvements, by narrative or schedule form, and shall include dimensions and square foot measurements. It must include age, condition, quality, functional utility (or inutility), number of stories, adequacy of parking, and any other relevant characteristics. The appraiser must state and photograph any deferred maintenance observed during the inspection of the building.

**2.9 COMPARABLE PROPERTIES** - The valuation report must contain a minimum of 3 comparable sales that were settled at the time of valuation. Active listings and pending sales may be used in addition to the 3 settled sales comparables to further add support to the final opinion of value. The comparable sales must be similar to the subject property in:

- 2.9.1 Location
- 2.9.2 Quality
- 2.9.3 Condition
- 2.9.4 Point in Time

### **3.0 TECHNICAL DATA**

**3.1 PROPER FORMAT** - The valuation report should be completed on the FNMA Form 1004.

**3.2 VERIFICATION OF COMPARABLE PROPERTIES** - All comparable sales must be verified by the appraiser and verification information is to be included for each sale in the adjustment grid or addendum of the report.

**3.3 SUBMISSION AND REVIEW** - The appraisal report is to be submitted to the Department of Finance in PDF format and will be reviewed for compliance to the CHAP program by a staff appraiser before being accepted for use. Contact information must be included should the staff person have a question pertaining to the valuation report.

### **4.0 EXHIBITS AND ADDENDA**

(Items 4.1 – 4.6 should be located within the appropriate sections of the report.)

4.1 PLOT PLAN AND TAX MAP: If available to the appraiser.

4.2 FLOOR PLANS

4.3 COMPARATIVE DATA MAP(s): The appraiser must show the geographic location of the appraised property and the comparative data analyzed.

4.4 FEMA FLOOD HAZARD MAP: The appraiser must provide a FEMA Flood Hazard Map with the subject property location indicated.

4.5 OTHER PERTINENT EXHIBITS. The appraiser must include a copy of the Scope of Work identified in the accepted contract of work.

4.6 QUALIFICATIONS/LICENSE. Include the qualifications of all appraisers and analysts significantly contributing to the value(s) reported.

## **APPENDIX B to the HISTORIC TAX CREDIT RULES AND REGULATIONS**

### **SCOPE OF WORK FOR THE VALUATION OF NON-RESIDENTIAL PROPERTIES**

#### **I. GENERAL REQUIREMENTS**

Upon completion of an appraisal by the appraiser, a draft report will be submitted for review to the City of Baltimore Department of Finance to ensure that the data and analysis developed by the appraiser substantiates the estimated valuation and conforms to the Scope of Work provided below.

One copy of the draft report is to be submitted to the Review Appraiser in the Department of Finance within (45) days of the beginning of the assignment for review, or within a time period that is approved by the program manager prior to the commencement of the appraisal. The draft report must be complete and fully assembled, and must be submitted in electronic form (PDF format required). All exhibits must be included in the draft report. Exhibits and addenda must include, but are not limited to, maps, photographs, plats, comparable data summary sheets, cash flow documentation, the City of Baltimore – Narrative Market Value Appraisal Report Summary of Significant Conclusions and Scope of Work Reporting Requirements Checklist, and the qualifications of the appraiser(s). Additional relevant exhibits may also be included.

The Department of Finance’s Review Appraiser will review the draft report and send a review document detailing any questions or issues to the appraiser. After the appraiser answers those questions and issues and edits the report accordingly, the report will be deemed final and one paper copy of the final appraisal report is to be submitted to the City of Baltimore Department of Finance. The final report must also be submitted in electronic form (PDF format) to the Review Appraiser. All exhibits must be included in the electronic form of the appraisal report. The City of Baltimore contact for the appraiser will be the Department of Finance’s Review Appraiser.

#### **II. FORMAT AND CONTENTS**

If a property requires a discounted cash flow (DCF) in the analysis, any software program used to calculate the DCF must have certain capabilities. It must calculate individual tenant cash flows, combine the individual cash flows into a single property cash flow, and calculate the data into present value. The software must handle individual terms and conditions as well as variations in assumptions over time, and display the assumptions used. The Department of Finance’s Review Appraiser must be able to follow the assumptions, data, and calculations used in a DCF analysis. Argus is an example of such software. Any discounted cash flow files used in the analysis are to be provided in electronic form and must be compatible with the most current version of that software as

of the date of the report's publication. Other spreadsheet files that are used in the analyses should be Microsoft Excel software or comparable/compatible software, and should also be provided in electronic form.

To provide uniformity for City of Baltimore files, the text of the valuation report shall be divided into four parts as outlined below:

## PART I - INTRODUCTION

- 1.1 TITLE PAGE. This shall include (a) the name of the property owner, (b) the street address of the subject property, (c) the name of the individual(s) signing the report, and (d) the effective date of the appraisal.
- 1.2 TABLE OF CONTENTS
- 1.3 LETTER OF TRANSMITTAL.
- 1.4 SUMMARY OF SALIENT FACTS AND CONCLUSIONS. Summarize the important data and conclusions in a concise manner, including: Property Identification, Purpose of the Appraisal, Scope of the Appraisal, Date of Value, Site Description, Improvement Description, Percentage of Current Occupancy, Zoning, Highest and Best Use, Value Indications (by Cost, Sales Comparison, and Income Capitalization Approaches), discount, capitalization and growth rates used, Final Estimate of Value.
- 1.5 PROPERTY IDENTIFICATION. Identify the property by name, location, and address.
- 1.6 SCOPE OF THE APPRAISAL. The asset is to be appraised "as is" as of the effective date of value, or such other date(s) and in such other condition(s) as may be specified by the Department of Finance Staff person in charge of the assignment. However, the hypothetical condition of ownership by a private sector purchaser is to be assumed.

The Fee Simple interest will be appraised, subject to any legally binding agreements, such as leases. The existing tenants may continue to occupy the property regardless of the hypothetical change of ownership. Although the existing tenants may continue to occupy the property under private ownership, assume that a private owner would require that market derived rents and terms would dictate their continuing occupancy. Additionally, for any currently vacant spaces, assume that they would be subject to market derived lease up, rents and terms.

The operating statement developed by the appraiser must reflect typical income and expenses that would be incurred by a private sector owner assuming application of competent property management practices observed in the local market. Although the fee simple interest in the property is to be appraised, an analysis is to be done regarding the anticipated market derived income and expenses compared to any actual income and expenses the property is generating under current ownership.
- 1.7 PROPERTY RIGHTS APPRAISED. The property rights to be appraised are the Fee Simple Absolute estate, subject to any legally binding agreements, such as leases.

1.8 REQUIRED DEFINITION OF VALUE. The value to be appraised is the Market Value which is defined as:

*“The amount of cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.”*

- *Dictionary of Real Estate Appraisal, 14<sup>th</sup> ed., 2013.*

The report will contain this definition and **only** this definition of Market Value within the content of the report, or any addenda or glossary attached to the report.

1.9 INTENDED USE AND USERS OF THE APPRAISAL. The intended use of the appraisal is to provide an opinion of the value of the asset for the City of Baltimore for use in calculating the appropriate Historic Tax Credit for the asset and any related use where the value of the property is in question. The intended users of the appraisal are the City of Baltimore Department of Finance for the purposes listed above and the purchasing entity or current owner for the purpose of applying for this tax credit.

1.10 DATE OF VALUE. The date of value will be the same date as the date of the latest comprehensive inspection of the asset.

1.11 EXHIBITS.

1.11.1 PHOTOGRAPHS. Pictures of the subject shall show at least the front and rear elevations of the major improvements, a street scene, and any salient features (significant deferred maintenance or other value impacting conditions or features). Each subject photograph shall indicate the date the photograph was taken and the camera’s direction of view. When a large number of buildings are involved, including duplicates, one picture may be used for each type of building as long as the photograph is labeled to indicate that it represents a typical building type. Views of the comparables are to be included. All graphic material shall include captions.

1.11.2 MAPS. Legible location maps of the subject property and the comparables must be included.

1.12 STATEMENT OF LIMITING CONDITIONS AND ASSUMPTIONS.

1.13 APPRAISER’S CERTIFICATION. All appraisers who sign any part of the report will provide a certification as required by the licensing board in the State of Maryland and by USPAP. This shall include a statement that signatories have no undisclosed interest in property, that they have personally inspected the premises, the date of said inspection, and the amount of value estimates. Any hypothetical conditions required by these specifications must be included within the certification.

## PART II - FACTUAL DATA

- 2.1 REGIONAL AND CITY ANALYSIS. In a concise manner, the appraisal report must discuss the pertinent aspects of the asset's city and or region (e.g. geographic, legal, social and economic factors). Include a succinct description of the regional market for the asset's property type. This data should include such information as affects the appraised property together with the appraiser's conclusions as to significant trends.
- 2.2 NEIGHBORHOOD DATA. The appraisal report must clearly define the asset's neighborhood, including boundaries, land use patterns, transportation issues, vacant land (especially developable land), as well as the lifecycle of the neighborhood (e.g. developing, stable, declining, redeveloping). The appraisal report must include a description of the local market for the asset's property type, and any other characteristics that have an impact on the asset's value, either positive or negative (vacancy rates, market rents, absorption, efficiency factors, and R/U ratios). The appraisal report must provide a comparative analysis of the subject property within the context of its market.
- 2.3 PROPERTY DATA -
- 2.3.1 LEGAL DESCRIPTION - This description shall be sufficient to properly identify the property appraised. If lengthy, it can be referenced and included in Part IV.
- 2.3.2 SITE – The site description must be based on information provided by the City of Baltimore Department of Finance, the appraiser's inspection, and other data as may be gathered from publicly recorded or other reliable sources. It must describe the relevant characteristics of the site (both positive and negative) that impact the site's use and value. This includes the site's location, size, shape, access, ingress/egress, soil, topography, utilities, mineral deposits, easements, off-site improvements, any excess land, and any other relevant factors. It must discuss any issues that impact the functionality of the site, such as drainage/flood plain, soil, visibility, potential for development, environmental issues or excess land. If an asset being valued shares an undivided site with a number of other assets that are not part of the asset being appraised, the appraiser shall immediately contact the Department of Finance staff person in charge of the assignment to discuss the method by which a reasonable and adequately supported estimate of the land necessary to support the existing or proposed asset shall be allocated. An appropriate disclosure of the extraordinary assumptions and limiting conditions related to such an allocation of land must be made within the appraisal report.
- While appraisers are not normally expected to be environmental experts, the appraiser should make a reasonable attempt to discover if there is contamination on the property. The appraiser shall note in the report any observed, suspected or other knowledge of environmental contamination and its impact on the value of the property.



- 2.4 **LEGAL RESTRICTIONS.** The report must discuss the zoning that regulates the development of the site, or the most likely zoning that would regulate the development of the site under private ownership. The report must include relevant requirements such as permitted land uses, maximum building height, floor area ratio (FAR), and minimum setbacks and parking spaces. The report must discuss if the site and/or existing improvements (including the parking) are in compliance with the zoning regulations that impact the site. The report must discuss any other legal restrictions (binding agreements, covenants, easements, transferable development rights), and/or other regulations (historic designations or local comprehensive plans) that would impact the value of the site under private ownership.
- 2.5 **IMPROVEMENTS -** The report must describe the improvements, by narrative or schedule form, and shall include dimensions, square foot measurements, and where appropriate, a statement of the method of measurement used in determining rentable areas such as full floor, multi-tenancy, or otherwise. The report must describe the exteriors and interiors of any existing improvements. It must include age, condition, quality, functional utility (or inutility), gross building area, net rentable area, usable area, joint use spaces, core factors, number of stories, adequacy of parking, and any other relevant characteristics. The report must describe if the asset's leasing quality is considered to be Class A, B, or C (or lower) by market participants. The appraiser must state and photograph any deferred maintenance observed during the inspection of the building. The report must discuss and quantify any immediate capital costs that a private purchaser would incur.
- 2.6 **HISTORY -** State briefly when the current owner took possession of the property and, if possible, cite the deed book and page of the transaction. Include a copy of the deed in the report, if possible. State the purpose for which the improvements were designed, dates of original construction and major renovation and/or additions.
- 2.7 **REAL ESTATE TAXES.** Estimate the real estate tax assessment under private ownership. State the tax rate and give the dollar amount of the tax estimate. Future trends or prospective changes in the level of taxes should be discussed.

### PART III - ANALYSES AND CONCLUSIONS

- 3.1 **ANALYSIS OF HIGHEST AND BEST USE.** Describe the highest and best use of the site "as if vacant" and "as improved", using standard appraisal guidelines of physically possible uses, legally permitted uses, financially feasible uses, and maximally productive uses. The analysis should tie the highest and best use to the analyses used in the descriptions of the regional and neighborhood markets, the site, and the existing improvements. In the "as if vacant" analysis, include a discussion of the size as well as the type of any buildings that represent the highest and best use. Determine whether the existing improvements represent the highest and best use of the site, including if they represent a viable interim use or a special purpose use. Address whether any opportunities to increase income and/or value of the existing improvements are observed.

3.2 LAND VALUE. The appraiser's opinion of the value of the land shall be supported by confirmed sales of comparable lands. Differences shall be weighed and explained to show how the sales indicate the value of the land being appraised. Adjustments should be made from the sales to the subject, either in dollar amounts or percentages for all applicable elements of comparison. The report must provide adequate summary descriptions of comparable land sales, including location maps. Comparable sales used should be confirmed by someone having personal knowledge of the terms and conditions of the sale as well as the motivation of the principals. Reference to public records and revenue stamps does not confirm the terms and conditions of a sale. The report must also tie the land valuation to the highest and best use analysis. **All appraisals must include a section estimating the market value of the asset's underlying land.**

3.3 VALUE ESTIMATED BY COST APPROACH. The Cost Approach may be used to estimate the market value of properties that are not frequently exchanged in the market, such as special use properties. It is particularly important when a lack of market activity limits the usefulness of the Sales Comparison Approach and when properties are not amenable to valuation by the Income Capitalization Approach. This shall be in the form of computational data, arranged in sequence, beginning with reproduction or replacement cost. The dollar amounts of physical deterioration and functional and external obsolescence, or the omission of same, shall be explained in narrative form. The reader should be able to follow the appraiser's logic to his/her conclusion of value.

3.3.1 Identify and describe the source used to estimate the replacement cost (or reproduction cost). The quantity survey or unit-in-place methods of estimating replacement/reproduction cost are preferred for most properties.

3.3.2 Describe and quantify direct and indirect costs.

3.3.3 Describe and estimate entrepreneurial profit.

3.3.4 Explain and quantify all applicable types of accrued depreciation, including physical deterioration and functional and external obsolescence. Include deferred maintenance costs. Discuss whether the accrued depreciation is curable or incurable. If partial or complete demolition is considered a reasonable estimate of cost should be calculated and included.

3.3.5 Discuss the asset's economic life and effective age.

The Cost Approach may not be applicable to the valuation of all properties. **If the City of Baltimore grants omission of the Cost Approach, at a minimum, the market value of the site is to be estimated, the economic life and effective age of the improvements are to be quantified, and any applicable forms of obsolescence and/or depreciation are to be discussed. The elimination of the Cost Approach does not relieve the appraiser of the obligation to provide an estimate of the rent required to justify new construction.**

3.4 VALUE ESTIMATED BY INCOME CAPITALIZATION APPROACH. The report must include adequate factual data (a) estimated gross economic market rent; (b) allowance for vacancy and credit losses; (c) an itemized estimate of total anticipated expenses including reserves for replacement; and (d) net operating

income. The report should also include capitalization of net income shall be at the rate prevailing for the subject property's type and location. The capitalization technique, method and rate used shall be explained in narrative form supported by an explanation of sources of rates and factors. The reader should be able to follow the appraiser's logic to his/her conclusion of value.

Although the Fee Simple interest in the property is to be appraised, a comparison analysis is to be done regarding the anticipated market derived income and expenses evaluated against the actual income the property is generating under current ownership based on lease's impacting the property. This commitment will be considered in the analysis of the property's anticipated occupancy.

The report must describe the current and expected occupancy levels, including expirations of leases, if applicable. It must estimate future vacancy and credit loss in relation to the risk reflected in capitalization rates used and the condition of the market in respect to existing vacancy rates for similar properties.

The report must describe current rents, current tenant(s), and current and forecasted income and expenses.

The report must estimate the minimum rent required to justify new construction. (If preferred, this may be discussed in the Highest and Best Use Section.)

The report must discuss supply and demand in the market, including the subject's competitive position. It must explain the key functional and economic issues, both positive and negative, relating to the subject property.

The report must describe and analyze market rents (including escalations, concessions, length of the initial lease and the number and length of any renewal options, lease terms and conditions, tenant improvement allowances, expenses and any expense stops or other criteria that the appraiser believes are relevant).

The report must compare the market rents to the rents generated under current city ownership based on any lease's impacting the property.

The report must describe and analyze expenses in comparable properties, including fixed (ad valorem taxes and insurance), and variable (management, administration, utilities, cleaning, repairs and maintenance).

The report must discuss the projected expense ratio of the subject property as if owned by a private owner, as compared to the expenses generated as currently owned by the city government.

Each rent comparable shall be weighed and explained in the report in relation to the subject, and adjustments are to be made from the comparable to the subject. The rent comparables should be adjusted in relation to the subject for physical attributes such as location, age/condition, parking, quality/aesthetics, access/visibility, core factors, and efficiency ratios. The report must describe the adjustments applied.

The report must discuss and quantify any immediate capital costs that a private purchaser would incur. It must analyze any capital investments that are proposed by purchaser.

The report must develop a stabilized operating statement, addressing stabilized capital reserves. The appraiser's conclusion should be based on comparison with similar rentals.

The report must estimate the value of the property using the Direct Capitalization method. It must explain and support the overall capitalization rate used. Ideally, capitalization rates should be developed from the sale of similar properties, preferably in the market of the subject property. The source data for any mortgage and equity rates used should be included in the report.

If applicable, the report should estimate the value of the property using the discounted cash flow analysis technique. The report must discuss anticipation of change of the subject property and support anticipated changes. It must explain and support the discount and exit capitalization rates used.

3.5 VALUE ESTIMATE BY SALES COMPARISON APPROACH. All sales used as comparables in the report shall be confirmed by the buyer, seller, broker, or other persons having knowledge of the price, terms, and conditions of sale. Each comparable shall be weighed and explained in relation to the subject from this approach. Adjustments should be made from the sale to the subject, either in dollar amounts or percentages for all applicable elements of comparison. The comparable sales should be adjusted in relation to the subject property for market and property conditions, location, core factors, efficiency ratios and other appropriate factors. The reader should be able to follow the appraiser's logic to his/her conclusion of value.

3.6 RECONCILIATION AND FINAL ESTIMATED VALUE. The appraiser shall interpret the foregoing estimates and shall state his/her reason why one or more of the conclusions are indicative of the market value of the property. The report must discuss the appropriateness and reliability of each approach and logically explain the derivation of the final estimated value. Pure "averaging" of different values is not acceptable as a final valuation.

#### PART IV - EXHIBITS AND ADDENDA

(These items may be located within the appropriate sections of the body of the report.)

4.1 PLOT PLAN AND TAX MAP

4.2 FLOOR PLANS

4.3 COMPARATIVE DATA MAP(s): The appraiser must show the geographic location of the appraised property and the comparative data analyzed.

4.4 OTHER PERTINENT EXHIBITS. The appraiser must include a copy of the Scope of Work identified in the accepted contract of work. The appraiser must also complete and include the City of Baltimore – Narrative Market Value Appraisal Report Summary of Significant Conclusions and Scope of Work

Reporting Requirements Checklist with the report indicating that the appropriate information required in the report has been included, and identifying the pages where such information is located.

- 4.5 QUALIFICATIONS. Include the qualifications of all appraisers and analysts significantly contributing to the value(s) reported.

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**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 09 LOW INCOME EMPLOYEES

Administrative History

Effective Date: January 1, 2021



**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**LOW-INCOME EMPLOYEES**

1.0. Background

These rules and regulations are issued pursuant to the authority granted to the Director of Finance by Ordinance 20-348, effective January 1, 2021, and codified in Section 10-23 of Article 28 of the City Code, which provides for property tax credits on the homestead dwellings of qualified Low-Income Employees; as authorized by Section 9-304(k) of the Tax-Property Article of the Maryland Code.

2.0. Goal

The goal of this tax credit is to provide real property tax credits to qualified Low-Income Employees of Baltimore City who own their principal residences within Baltimore City.

3.0. Definitions

The terms defined in Section 10-23 of Article 28 of the City Code have the definitions set forth in the statute and nothing contained herein shall be interpreted to alter those definitions.

3.1 Full-Time Employee

“Full-time employee” means an individual who has been classified as a regular, full-time employee by the Baltimore City Department of Human Resources.

3.2 Eligibility for the Homestead Tax Credit

“Eligible for the tax credit authorized by State Tax-Property Article Section 9-105 {“Homestead Tax Credit”}” means having a Homestead Tax Credit Application on file with the State Department of Assessments and Taxation that has been submitted by the current property owner and subsequently reviewed and approved by the State Department of Assessments and Taxation.

3.3 25% Lowest-Paid, Full-Time Baltimore City Employees

“25% Lowest-Paid, Full-Time Baltimore City Employees” means those in the bottom quartile, by number of full-time employees, of a list of all full-time employees of Baltimore City, listed, in decreasing order, by annual rate of pay for the calendar year most recently completed prior to the year for which the credit is sought, as well as any additional listed full-time employees sharing the same annual rate of pay as the individual that begins the bottom quartile of the list.

3.4 Notification to Employees that may Potentially Qualify for the Tax Credit

“Notify” means to inform via regular postal service mail, electronic mail, or any other method that the Director of Finance deems reasonably ensured to transmit the required information.

### 3.5 Amount of the Property Tax Imposed on the Building

“Amount of the property tax imposed on the building” means the remaining City real property tax liability on the amount of the property’s assessment attributable to the improvement portion of the assessment after the application of any credit authorized by Section 9-105 of the State Tax-Property Article, as well as any credit authorized by Section 9-104 of the State Tax-Property Article, but before the application of any credit authorized by Section 9-221 of the State Tax-Property Article.

### 3.6 Property Tax Credit Provided by Baltimore City

“Property tax credit provided by Baltimore City” means any real property tax credit funded by the City of Baltimore, including the tax credit authorized by Section 9-215 of the State Tax-Property Article (“City Supplement to the Homeowners’ Tax Credit Program”).

## 4.0. Applications

### 4.1 For All Applications:

The application requirements set forth below include specific deadlines relative to the submission of certain documents and the completion of certain steps in the application process. These deadlines are binding upon all applicants and will not be altered for any individual applicant. Failure to meet any of the deadlines outlined below shall result in the applicant’s application being rejected. By applying for this credit, an applicant acknowledges these requirements and agrees to be bound by the deadlines set forth below.

All applications shall be submitted electronically to the Baltimore City Department of Finance via the City’s Tax Credit Application System, available at:

<https://propertytaxcredits.baltimorecity.gov>

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant and no extensions shall be granted regarding any of the time requirements outlined below due to issues beyond the control of the City of Baltimore’s Department of Finance.

### 4.2 Application Requirements

The Department of Finance and the Department of Human Resources, working in conjunction with the Baltimore City Office of Information Technology, shall develop a list of potentially qualified full-time employees based on annual rate of pay for the calendar year most recently completed prior to the year for which the credit is sought. The Department of Human Resources shall notify the employees on that list of their ability to apply for the tax credit no later than January 30<sup>th</sup> of the year in which the credit is sought.

A potentially qualifying property owner must have a qualifying legal interest in a property that meets the requirements set forth in Section 9-105 of the Tax-Property Article of the Maryland Code (Homestead Tax Credit), have filed an application for the credit authorized by Section 9-105, and have had that application approved by the State Department of Assessments and Taxation. It is highly recommended that the applicant review that section of the Code prior to applying for this credit. While having an approved Homestead Tax Credit application is not required to apply for the Low-Income Employees Tax Credit, if an approved Homestead Tax Credit application is not reflected in data provided by the State Department of Assessments and Taxation by May 15<sup>th</sup>, the application for the Low-Income Employees Tax Credit will be rejected.

If, after reviewing Section 9-105 of the Tax-Property Article of the Maryland Code (Homestead Tax Credit), the applicant is still unsure of whether or not they have a qualifying Homestead property, they should contact the Baltimore City office of the State Department of Assessments and Taxation at 410-767-8250.

An applicant is responsible for completing the Low-Income Employees tax credit application in its entirety and submitting said application and any required attachments via the Baltimore City Tax Credit Application System between February 1<sup>st</sup> and March 31<sup>st</sup> of the calendar year in which the credit is sought. No applications will be accepted during any calendar year after March 31<sup>st</sup>.

On April 1<sup>st</sup> of the calendar year in which the credit is sought, the Department of Finance shall transmit to the Department of Human Resources a list of all applicants who have submitted completed applications by the deadline.

Beginning on April 2<sup>nd</sup>, and ending no later than April 30<sup>th</sup> of the same calendar year, the Department of Human Resources shall review the application information provided by the Department of Finance. The Department of Human Resources shall be responsible for verifying that the applicant, as of March 31<sup>st</sup> of the year in which the application is submitted:

- 1) Is currently employed full-time by the City of Baltimore;
- 2) Has been continuously employed with the City for the preceding 9 months;
- 3) Has worked a minimum of 1,125 hours during that time; and
- 4) Has been classified as a regular, full-time employee by the Department of Human Resources.

The Department of Human Resources shall return all decisions regarding the eligibility of credit applicants to the Department of Finance in the manner specified by the Director of Finance, or his or her designee in this matter, no later than April 30<sup>th</sup> of the calendar year in which the credit is sought. The Department of Human Resources shall be solely responsible for the determination of an applicant's eligibility with respect to his or her continued qualifying employment as of March 31<sup>st</sup> of the year in which the application is submitted, and all decisions of the Department of Human Resources shall be final.



### 4.3 Annual Application Required

Due to the changing nature of the City's payroll and an individual employee's status, applicants that are notified of potential eligibility must apply on an annual basis. Eligibility for, and receipt of, the credit in any year is NOT a guarantee of eligibility in any following year. Further, any application filed for a particular tax year shall have no effect on the following tax year.

**No applications for this credit will be accepted after March 31, 2030.**

## 5.0. Eligibility

### 5.1 Eligibility

To be eligible to apply for this credit an applicant must:

- 1) Be notified by the City of Baltimore that they may be a qualifying Low-Income Employee of the City of Baltimore; and
- 2) Own a homestead dwelling located in Baltimore City.

In addition to meeting the above requirements, to be eligible to receive a tax credit under section 10-23, the Low-Income Employee must, as of the March 31 of the calendar year in which the application is filed:

- a) have been continuously employed with the City for the preceding 9 months;
- b) have worked a minimum of 1,125 hours during that time; and
- c) have been classified as a regular, full-time employee by the Department of Human Resources.

Furthermore, to be eligible to receive the credit under section 10-23, the Low-Income Employee must, as of May 15<sup>th</sup> of the calendar year in which the application is filed, have an approved Homestead Tax Credit application on file with the Department of Assessments and Taxation.

While applicants are not required to apply for the Homestead Tax Credit prior to applying for the Low-Income Employees Tax Credit, they are strongly encouraged to do so as soon as possible. The Department of Finance has no control over the review and approval of Homestead Tax Credit applications, which is purely a function of the State Department of Assessments and Taxation. As such, failure to have an approved Homestead Tax Credit application on file with the State Department of Assessments and Taxation by the required date of May 15<sup>th</sup> of the calendar year in which the credit is sought shall result in the Low-Income Employees Tax Credit application being rejected, regardless of whether the Homestead Tax Credit Application becomes approved at a later date.

### 5.2 Determination of Eligibility

The applicant must follow the application procedures outlined in section 4 of these rules and regulations, meet the necessary eligibility criteria specified throughout these rules and regulations, and apply during the specified application period.

Determinations regarding an applicant's initial eligibility relative to his or her employment will be made by the Department of Finance and the Department of Human Resources, in conjunction with the Baltimore City Office of Information Technology. An employee who meets the initial eligibility requirements will be notified by the Department of Human Resources. Only those employees that have received such notification will be able to apply for the Low-Income Employees Tax Credit.

Determinations regarding an applicant's final eligibility relative to his or her employment will be the sole responsibility of the Department of Human Resources and must be processed in the manner prescribed by the Director of Finance or his or her designee in this matter. All such determinations will be final.

All determinations regarding an applicant's eligibility relative to his or her property will be the sole responsibility of the Department of Finance and shall be made using the most recent information available at the time the application is reviewed. All such determinations are final.

Any application that is rejected during the specified review period, for any finding of ineligibility on the part of the applicant, the property, or both, may not be resubmitted for that year.

### 5.3 Continuing Eligibility

Eligibility for this credit in any given tax year shall have no bearing on an employee's eligibility to receive the tax credit in future years. All determinations of eligibility shall be made on an annual basis.

### 5.4 Limitations on Eligibility for Other Tax Credits

In any taxable year in which a property receives a credit granted under Section 10-23, the property may not receive any other property tax credit provided by Baltimore City, except:

- 1) The local portion of the credit authorized by State Tax-Property Article Section 9-105 ("Homestead Tax Credit"); and
- 2) The credit authorized by State Tax-Property Article Section 9-221 ("Offsetting Income Tax Rates").

### 5.5 Transferability of Credit

The credit granted under Section 10-23 is not transferable between property owners and cannot be transferred between properties by a property owner.

## 6.0 Term of Credit

Provided that the requirements of Section 5 of these rules and regulations are met, the credit granted under Section 10-23 is applicable only in the tax year immediately following the approval of a submitted application. However, if an employee continues to meet the eligibility requirements and continues to apply for

the credit on an annual basis, the credit may continue from year to year for taxable years beginning on or after July 1, 2021 and before July 1, 2031.

7.0 Calculation of the Credit

A credit granted under Section 10-23 is applied only to the Baltimore City Real Property Taxes on the Homestead Dwelling of the qualifying Low-Income Employee. The tax credit in any given year shall be equal to the lesser of:

- 1) \$2,500; and
- 2) The amount of the property tax imposed on the building.

No portion of this tax credit shall be applied to the property tax imposed on the land on which qualifying Homestead Dwelling is situated. Rather, the credit is applicable by state law only to the Homestead Dwelling, itself.

Under no circumstances shall any amount of the credit granted by Section 10-23 be applied to any State Real Property Tax amount, any Special Benefit District Tax amount, or any other tax amount that is anything other than Baltimore City Real Property Taxes.

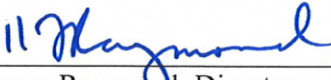
8.0 Fraudulent Applications

Any tax credit applicant, recipient, or reviewer who knowingly makes a false statement on or in connection with an application for the credit granted under Section 10-23 shall be subject to the criminal penalties for such activity contained therein.




These rules and regulations become effective 12/28/20 and have been filed with the City of Baltimore Department of Legislative Reference.

Issued and Approved:

  
\_\_\_\_\_  
Henry Raymond, Director  
Department of Finance

12/28/20  
Date

  
\_\_\_\_\_  
Hilary Ruley, Chief Solicitor  
Law Department

12/18/2020  
Date

  
\_\_\_\_\_  
Avery Aisenstark, Director  
Legislative Reference

12/28/20  
Date

These Rules and Regulations replace all prior versions and are immediate replacements for the Rules and Regulations for this tax credit promulgated on September 2, 2020.



**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 10 PUBLIC SAFETY OFFICERS

Administrative History

Effective Date: December 4, 2017

**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**PUBLIC SAFETY OFFICERS**

**1.0. Background**

These rules and regulations are issued pursuant to the authority granted to the Director of Finance by Ordinance 17-0074, effective December 4, 2017, and codified in Section 10-21 of Article 28 of the City Code, which provides for property tax credits on the homestead dwellings of qualified public safety officers; as authorized by Section 9-304(i) of the Tax-Property Article of the Maryland Code.

**2.0. Goal**

The goal of this tax credit is to provide real property tax credits to qualified public safety officers who have their principal residences within Baltimore City.

**3.0. Definitions**

The terms defined in Section 10-21 of Article 28 of the City Code have the definitions set forth in the statute and nothing contained herein shall be interpreted to alter those definitions.

**4.0. Applications**

**4.1 For All Applications:**

The application requirements set forth below include specific deadlines relative to the submission of certain documents and the completion of certain steps in the application process. These deadlines are binding upon all applicants and will not be altered for any individual applicant. Failure to meet any of the deadlines outlined below shall result in the applicant's application being rejected. By applying for this credit, an applicant acknowledges these requirements and agrees to be bound by the deadlines set forth below.

All applications shall be submitted electronically to the Baltimore City Department of Finance via the City's Tax Credit Application System, available at:

**<https://propertytaxcredits.baltimorecity.gov>**

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant and no extensions shall be granted regarding any of the time requirements outlined below due to issues beyond the control of the City of Baltimore's Department of Finance.

## **4.2 Initial Application Requirements**

Prior to applying for this credit, a qualifying property must meet the requirements set forth in section 9-105 of the Tax-Property Article of the Maryland Code. It is highly recommended that the applicant review that section of the Code prior to applying for this credit. If a property does not meet these requirements at the time of application, the Baltimore City Tax Credit Application System will notify the applicant, but will allow them to proceed with the filing of the application. If the applicable eligibility requirements set out in Section 9-105 of the Tax-Property Article of the Maryland Code are not met by the property and reflected in the City's Real Property Tax System by May 15th, the application will be rejected and the applicant will be ineligible to receive the credit until July 1st of the following calendar year.

If the applicant is notified by the system that their property does not meet the requirements, they should review the requirements of Section 9-105 of the Tax-Property Article of the Maryland Code, available here:

<https://www.lexisnexis.com/hottopics/mdcode/>

If the applicant is still unsure of what requirement is not met, they should contact the Department of Finance at [tax.credits@baltimorecity.gov](mailto:tax.credits@baltimorecity.gov) or the Baltimore City office of the State Department of Assessments and Taxation at 410-767-8250.

An applicant is responsible for completing the application for this credit in its entirety and submitting said application and any required attachments via the Baltimore City Tax Credit Application System no later than April 1<sup>st</sup> of the calendar year in which the credit is initially sought.

Beginning on April 2<sup>nd</sup>, and ending no later than April 30<sup>th</sup> of the same calendar year, the applicant's agency-designated application reviewer (ADAR) shall review the application information presented to him or her by the Department of Finance. The ADAR shall return all decisions regarding the eligibility of credit applicants to the Department of Finance in the manner specified by the Director of Finance, or his or her designee in this matter, no later than April 30<sup>th</sup> of the calendar year in which the credit is sought. The ADAR shall be solely responsible for the determination of an applicant's eligibility with respect to his or her employment in a full-time capacity by a qualifying agency as of the date of review, and all decisions of the ADAR shall be final.

## **4.3 Monthly Verification Requirements**

Beginning on August 15<sup>th</sup> of the calendar year in which credits have been awarded, and recurring monthly on the 15<sup>th</sup> of each month up to and including the following July 15<sup>th</sup>, the ADAR shall be responsible for confirming, in writing, the continued eligibility, with respect to continued full-time sworn employment, of all of his or her agency's credit recipients. If, at any time, a credit recipient leaves

the employment of a qualifying public safety agency, the ADAR shall notify the Department of Finance within 30 days. The ADAR shall provide the Director of Finance, in writing, the Name, Address, and Date of Departure from Employment for the former employee.

#### **4.4 Annual Verification Requirements**

Once a credit has been initially granted, the applicant is responsible for annually completing the Annual Eligibility Verification (AEV) form and submitting the form and any required attachments no later than April 1<sup>st</sup> of the tax year for which the credit has been granted. The AEV form and details of the required documentation are available on the Baltimore City Tax Credit Application Website.

No sooner than April 2<sup>nd</sup> of the calendar year in which the renewed credit is sought, and no later than April 30<sup>th</sup> of that same year, the AEV forms and supporting documentation that were submitted in a timely manner shall be examined by the applicant's ADAR. The ADAR shall have sole responsibility for determining the applicant's status with respect to continuing employment eligibility for the credit and all decisions of the ADAR shall be final. The ADAR shall return all decisions regarding the continuing eligibility of credit recipients that have submitted AEV forms to the Department of Finance in the manner specified by the Director of Finance, or his or her designee in this matter, no later than April 30<sup>th</sup> of the calendar year in which the credit sought is to be renewed.

### **5.0. Eligibility**

#### **5.1 Initial Eligibility**

To be eligible to apply for this credit an applicant must meet the following criteria:

- 1) Be a qualifying Public Safety Officer, as defined by Section 10-21 to mean a firefighter, an emergency medical technician, or a law enforcement officer who is a sworn member of and employed full time by:
  - a. The Baltimore City Fire Department;
  - b. The Baltimore City Police Department;
  - c. The Baltimore City Sheriff's Office; or
  - d. The Baltimore City Public School System.
- 2) Own a dwelling located in Baltimore City and use said dwelling as his or her principal residence; and
- 3) Be otherwise eligible in all respects for the tax credit authorized by the State Tax-Property Article, Section 9-105 ("Homestead Tax Credit").

While applicants are not required to apply for the Homestead Tax Credit authorized by Section 9-105 of the State Tax-Property Article, they are encouraged to do so and being approved for the Homestead Credit may speed the approval and processing of the Public Safety Tax Credit. Regardless of an applicant's Homestead Tax Credit Application status, applicants whose "homeowner indicator" status is an "N", as reflected on the Baltimore City Tax Credit Application website, are strongly encouraged to contact the State Department of Assessments and Taxation's Baltimore City Office at 410-767-8250 and request an update to that indicator as soon as possible. Failure to have the status of that indicator reflected as an "H" or a "D" by May 15<sup>th</sup> will prevent the application from proceeding and the property will not be eligible to receive the credit until July 1<sup>st</sup> of the following calendar year.

## **5.2 Determination of Eligibility**

The applicant must follow the application procedures outlined in section 4 of these rules and regulations, meet the necessary eligibility criteria specified throughout these rules and regulations, and apply during the specified application period.

Determinations regarding an applicant's eligibility relative to his or her employment will be the sole responsibility of the agency employing the applicant and must be processed in the manner prescribed by the Director of Finance or his or her designee in this matter. All such determinations will be final.

All determinations regarding an applicant's eligibility relative to his or her property will be the sole responsibility of the Department of Finance and shall be made using the most recent information available at the time the application is reviewed. All such determinations are final.

Any application that is rejected during the specified review period may not be resubmitted for that year. Any changes to the applicant's employment status or the status of his or her property may allow for reapplication in future years, but no further submissions for the year reviewed will be allowed after the April 1<sup>st</sup> deadline.

## **5.3 Continuing Eligibility**

To continue to receive the credit the applicant shall be required to complete an AEV form and submit the form and any required attachments by April 1<sup>st</sup> of each year, as specified in subsection 4.3.

Additionally, continuing eligibility for the credit shall be dependent upon the applicant:

- 1) Continuing to serve in the capacity required by paragraph 5.1 (1); and
- 2) Continuing to use the property for which the credit was initially granted as the applicant's principal residence and continuing to ensure that the property qualifies in all respects for the Homestead Tax Credit as referenced in paragraph 5.1 (3).

Failure to comply with any of these requirements shall result in the non-renewal of the tax credit herein provided.

Additionally, if at any time during a tax year for which the credit was granted the applicant ceases to serve as a qualifying Public Safety Officer as specified in paragraph 5.1 (1):

- 1) The tax credit for that year shall be immediately terminated; and
- 2) The applicant shall be liable for all property taxes that would have been due for that tax year had the credit not been granted, payable within 30 days of the date billed.

It shall be the responsibility of the ADARs within each of the qualifying agencies to inform the Department of Finance when a Public Safety Tax Credit recipient, as verified by their agency prior to the award of said credit, ceases to be employed by the qualifying agency. Failure to inform the Department of Finance of the credit recipient's change in employment status in a timely manner will be viewed as a false statement by omission with respect to Section 8.0 of these rules and regulations.

#### 5.4 Limitations on Eligibility for Other Tax Credits

In any taxable year in which a property receives a credit granted under Section 10-21, the property may not receive any other property tax credit provided by the City of Baltimore, except:

- 1) The local portion of the credit authorized by State Tax-Property Article Section 9-105 ("Homestead Tax Credit"); and
- 2) The credit authorized by State Tax-Property Article Section 9-221 ("Offsetting Income Tax Rates").

#### 5.5 Transferability of Credit

The credit granted under Section 10-21 is not transferable between property owners and cannot be transferred between properties by a property owner.

**6.0 Term of Credit, Commencement of Credit Term, Expiration of Credit Term**

**6.1 Credit Term Generally**

Provided that the requirements of Section 5.3 of these rules and regulations are met, the credit granted under Section 10-21 continues from year to year for an indefinite term and is applicable to all taxable years beginning on or after July 1, 2018.

**6.2 Commencement of Credit Term**

Any qualifying applicant's credit will begin with the tax year that begins on the first July 1 occurring at least 90 days after the initial application is submitted, provided that such application is submitted no later than June 30, 2028.

**6.3 Expiration of Credit Term**

Such credit shall continue from year to year unless and until any of the following occur:

- 1) The qualifying Public Safety Officer fails to submit an annual verification form and any required attachments by April 1<sup>st</sup> of the calendar year in which the credit is sought;
- 2) The qualifying Public Safety Officer ceases to use the qualified Homestead Dwelling on which he or she has been receiving a credit as his or her principal residence; or
- 3) The qualifying Public Safety Officer ceases to be eligible as provided in Section 10-21.

Should a qualifying Public Safety Officer qualify for a credit granted under Section 10-21 at any time after having had a previous credit granted under that section expire, the qualifying Public Safety Officer must submit a new application prior to the deadline specified in section 6.2 of these rules and regulations.

**7.0 Calculation of the Credit**

A credit granted under Section 10-21 is applied only to the Baltimore City Real Property Taxes on the Homestead Dwelling of the qualifying Public Safety Officer. The tax credit in any given year shall be equal to the lesser of:

- 1) \$2,500; and
- 2) The amount of City Real Property Tax remaining on the dwelling after the application of any credit amount under Section 9-105 of the Tax-Property Article of the Maryland Code (Homestead Tax Credit).




**Under no circumstances shall any amount of the credit granted by Section 10-21 be applied to any State Real Property Tax amount, any Special Benefit District Tax amount, or any other tax amount that is anything other than Baltimore City Real Property Taxes.**

**8.0 Fraudulent Applications**

**Any tax credit applicant, recipient, or reviewer (ADAR) who knowingly makes a false statement on or in connection with an application for the credit granted under Section 10-21 shall be subject to the criminal penalties for such activity contained therein.**

These rules and regulations become effective 2/22/19 and have been filed with the City of Baltimore Department of Legislative Reference.

Issued and Approved:

  
\_\_\_\_\_  
Henry Raymond, Director  
Department of Finance

2/13/19  
Date

  
\_\_\_\_\_  
Hilary Ruley, Chief Solicitor  
Law Department

2/13/19  
Date

  
\_\_\_\_\_  
Avery Aisenstark, Director  
Legislative Reference

2/22/19  
Date

## Public Safety Officers Tax Credit – Frequently Asked Questions

### **What is the Public Safety Officers Tax Credit?**

The Public Safety Officers Tax Credit offers a credit against the Baltimore City real property tax imposed on the principal residences of sworn public safety officers serving full time in the Baltimore City Police Department, Baltimore City Fire Department, Baltimore City Sheriff's Office, or the Baltimore City Public School System.

### **What is the credit amount?**

The credit is the lesser amount of \$2,500 and the Baltimore City real property tax imposed on the eligible real property for each taxable year that the property remains eligible.

For example, if the eligible property is assessed for \$100,000, the Baltimore City property tax imposed is \$2,248. As the tax imposed is less than \$2,500, the credit amount is \$2,248, which is equal to the total city property tax liability.

### **What is the credit term?**

The credit can be renewed every taxable year provided that the eligibility requirements continue to be met AND the credit recipient submits the Annual Eligibility Verification (AEV) form prior to April 1<sup>st</sup> of the calendar year in which the renewal is sought.

### **How do I know if I'm eligible for this credit?**

In order to be eligible for this credit, the applicant must:

1. Be a "Public safety officer" means a firefighter, an emergency medical technician, or a law enforcement officer who is a sworn member of and employed full time by:
  - (i) the Baltimore City Fire Department;
  - (ii) the Baltimore City Police Department;
  - (iii) the Baltimore City Sheriff's Office; or
  - (iv) the Baltimore City Public School System.
2. Own a dwelling located in Baltimore City and use said dwelling as his or her principal residence; and
3. Be otherwise eligible in all respects for the tax credit authorized by the State Tax-Property Article, Section 9-105 ("Homestead Tax Credit").

### **How do I know if my property is eligible for the Homestead Tax Credit (#3 above)?**

Your property is eligible if:

- The property was not transferred for value during the tax year prior to the tax year in which the credit is sought; and
- The property was the owner's principal residence and the owner lived in it for at least six months of the calendar year in which the credit is to be awarded, including July 1 of the year for which the credit is applicable.

For more information about the Homestead Tax Credit, please visit <http://dat.maryland.gov/realproperty/Pages/Maryland-Homestead-Tax-Credit.aspx>

### **What is the Homestead Tax Credit?**

The Homestead Tax Credit is designed to help homeowners deal with large assessment increases on their principal residence. In Baltimore City, the credit is granted for any assessment increase exceeding 4% from one year to the next. The credit is calculated based on the 10% limit for purposes of the State real property tax, and 4% for purposes of Baltimore City real property taxes. In other words, the homeowner pays no property tax on the market value increase which is above those limits.

For more information about the Homestead Tax Credit, please visit <http://dat.maryland.gov/realproperty/Pages/Maryland-Homestead-Tax-Credit.aspx>

### **Do I need to apply for the Homestead Tax Credit in order to apply for the Public Safety Officers Tax Credit?**

No. To be eligible for the Public Safety Officers Tax Credit, the property must only be eligible for the Homestead Tax Credit. We strongly encourage you to apply for the Homestead Tax Credit because it is a relatively simple process that can prove very beneficial for homeowners over the period of time that they own their home. However, it is not a requirement of the Public Safety Officers Tax Credit.

### **I'd like to apply for the Homestead Tax Credit. How do I apply?**

There are multiple ways to apply for the Homestead Tax Credit. For more information, please visit <http://dat.maryland.gov/realproperty/Pages/Maryland-Homestead-Tax-Credit.aspx>

### **I occupy my home as my principal residence. How do I confirm this prior to applying for the Public Safety Officers Tax Credit?**

If while creating your application in the Tax Credit System your Principal Residence status is an "N", you do not qualify for this credit. However, if your Principal Residence status is an "N" and you believe this is an error because the property is your principal residence, please continue, complete and submit your application by April 1<sup>st</sup>. After you submit your application, please contact the Baltimore City office of the State Department of Assessments and Taxation (SDAT) immediately and have your Principal Residence status updated. If this field does not reflect an "H" or "D" on the Tax Credit System by the following May 15<sup>th</sup> you will not be eligible to receive this credit on your next Real Property Tax Bill. No applications will be accepted after April 1<sup>st</sup>.

Principal residency is determined by the State Department of Assessments and Taxation (SDAT). To look up the residency status of your property, please visit <https://sdat.dat.maryland.gov/RealProperty/Pages/default.aspx> and enter your property information in the search tool. The principal residence indicator is displayed in the upper-right section of the summary page.

### **My home is not listed as my principal residence on the SDAT page. How do I update that information?**

Please contact SDAT's Baltimore City office at 410-767-8250 and request an update to that indicator. Please email any other questions to [tax.credits@baltimorecity.gov](mailto:tax.credits@baltimorecity.gov), or call us directly at (410) 396-4585.

## **I meet all the eligibility criteria for the Public Safety Officers Tax Credit. How do I apply?**

The application is available through the Baltimore City Tax Credit Application System:

<https://propertytaxcredits.baltimorecity.gov/PropertyTaxCredits/>

Once completed, the application can be submitted via the same online system. There is no hard copy of the application.

Step #1: Click “Register” on the Tax Credit System homepage to create a unique user login.

Step #2: Enter your contact information in the appropriate fields. Your password must be at least 8 characters and contain at least 1 number. Once complete, click “Create User” to register.

Please note: the Department of Finance will update you via email on the status of your application. It is very important that the email associated with your account is current and one that you use regularly.

Step #3: Once your account has been successfully created, click “Here” to proceed to the login page. Enter your newly created username and password in the login fields. Click “Log In”.

Step #4: Click “Applications” on the left-side menu. Click “Create Application” from the menu dropdown.

Step #5: On the “Create a New Application” page, click the “Select Application Type” dropdown and select “PUBLIC SAFETY OFFICERS TAX CREDIT”. Select “Create a New Application” to start your application.

Step #6: Create and submit your application via the Signature Tab. Once the application is submitted you will receive an email confirming the submission of the application, please keep a copy for your records.

## **The application asks for the property transfer date. Where do I find this?**

The transfer date is the date of settlement/closing. You can find this on your Closing Disclosures form that you received at settlement/closing.

## **The application asks for my Employee ID number. Where do I find this?**

The Employee ID number can be found on your paycheck. If you cannot locate this number on your paycheck, please contact your Agency’s Human Resources Coordinator.

## **Is there a deadline to apply for this credit?**

Yes, applications must be submitted online by **April 1<sup>st</sup>** of the calendar year in which the credit is initially sought.

## **Do I need to reapply every year?**

The credit does not automatically renew every year. The applicant must submit the Annual Eligibility Verification (AEV) form prior to **April 1<sup>st</sup>** each year. This must be done online using the same application system the applicant used to submit their initial application. Failure to submit the AEV by April 1<sup>st</sup> will result in a loss of the credit for that year. The applicant can reapply in the following year.

## **My application was rejected. Can I reapply right away?**

No. If your application was rejected you cannot reapply in the same taxable year. If you later become eligible for this credit you may apply in subsequent taxable years.

### Can I combine this credit with other Baltimore City property tax credits?

With the exception of the Targeted Homeowners Tax Credit and the Homestead Tax Credit, the Public Safety Officers Tax Credit cannot be combined with any property tax credit provided by the City of Baltimore.

### I have a different Baltimore City property tax credit on my property and I'd rather have the Public Safety Officer Tax Credit. What should I do?

Please email the Department of Finance at [tax.credits@baltimorecity.gov](mailto:tax.credits@baltimorecity.gov).

### The system is not accepting my Ward, Section, Block, Lot combination.

Please enter a "0" at the end of your Section number. For example, if your Section number is "05", enter "050".

### Where do I find a copy of my latest property tax bill?

You can search for your latest property tax bill at <http://cityservices.baltimorecity.gov/realproperty/>.

### I cannot find my application or I am receiving an error saying that I can only submit one credit application. What should I do?

You must use the account information you created to login into the tax credit system and then search for the application. If you do not remember your login information, please reset as shown below in image A, and then follow the steps in Image B.

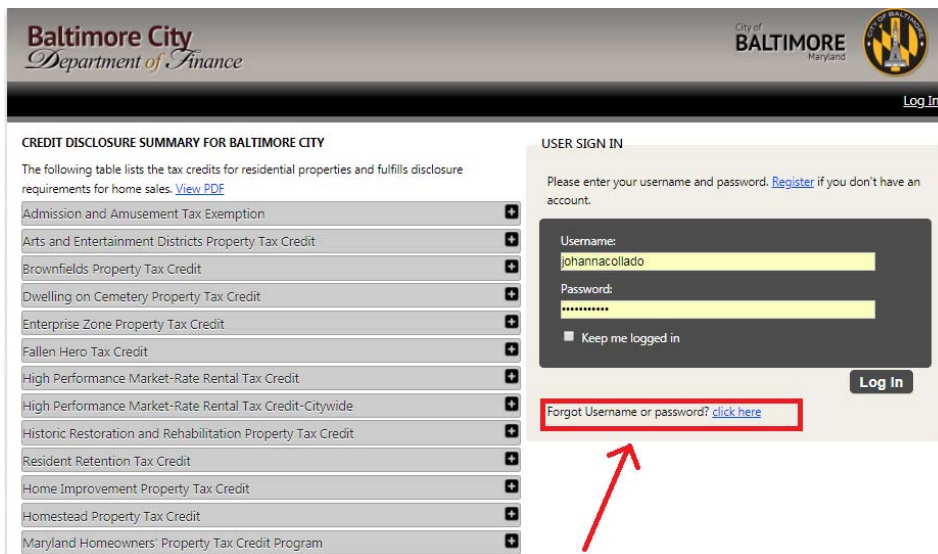


Image A

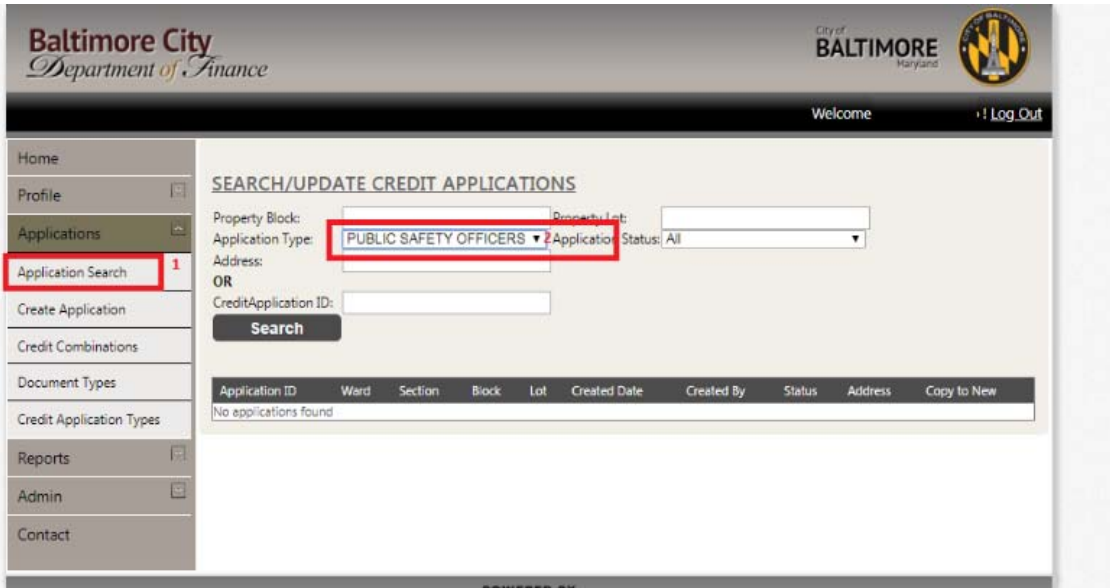


Image B

Please remember that applications for the Public Safety Officers Tax Credit must be submitted no later than April 1<sup>st</sup>. Once the application is submitted you will receive an email confirming the submission of the application, please keep a copy for your records.

**I have a question not listed here. Who can I contact?**

Please email any questions to [tax.credits@baltimorecity.gov](mailto:tax.credits@baltimorecity.gov), or call us directly at (410) 396-4585.

**Important note:**

Once the application is submitted you will receive an email confirming the submission of the application, please keep a copy for your records.

No applications will be accepted after April 1<sup>st</sup>, so don't wait!



**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 11 RESIDENT RETENTION (PORTABLE HOMESTEAD)

Administrative History

Effective Date: July 10, 2015

## **Portable Homestead Tax Credit (Resident Retention)**

### **Summary:**

#### **Program Purpose and Description**

Enacted in 2014, this tax credit program provides a real property tax credit to residents of Baltimore who have lived in Baltimore, received a Homestead Tax Credit for at least each of the last five (5) years, and relocate to a newly purchased dwelling in Baltimore City. The intent of the credit is to provide an incentive for existing City residents to remain in the City when they are considering relocating by offsetting the loss of the homestead credit that some City residents face when relocating.

#### **Credit Value**

Except as provided below, the credit is a fixed amount of \$4,000, to be allocated over a period of five tax years as follows:

- (i) \$1,000 in year 1;
- (ii) \$900 in year 2;
- (iii) \$800 in year 3;
- (iv) \$700 in year 4; and
- (v) \$600 in year 5.

For applications filed after October 1, 2015, the fixed amount of the credit is \$5,000 for a homeowner who purchases a dwelling located within a low or moderate income census tract, as designated from time to time by the U.S. Department of Housing and Urban Development and in which at least 51% of the persons living in the tract are in households earning 80% or less of the area median income. The \$5,000 credit is allocated over a period of five tax years as follows:

- (i) \$1,200 in year 1;
- (ii) \$1,110 in year 2;
- (iii) \$1,000 in year 3;
- (iv) \$900 in year 4; and
- (v) \$800 in year 5.

#### **Legal Reference**

State Legislation: Annotated Code of the Public General Laws of Maryland as amended, Tax Property Article, Title 9, Subtitle 3, Section 9-304, Subsection (g) (Chapter 623, Acts of the Maryland General Assembly of 2014).

City Code: Baltimore City Code – Unrevised Articles, Article 28 – Taxes, Subtitle 10 – Credits, Section 10-1.1 – Portable Homestead (Ordinance 14-303 of the Baltimore City Council).

**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**RESIDENT RETENTION (PORTABLE HOMESTEAD)**

1.0. Background

These rules and regulations are issued pursuant to the authority granted to the Director of Finance by Ordinance 14-0303, effective October 1, 2014, providing for property tax credits for a dwelling newly purchased by a homeowner who has previously received, for a certain period, the homestead property tax credit; as required by Chapter 623 of the Acts of 2014 which amended Section 9-304 of the Tax-Property Article of the Maryland Code to include a requirement that the City issue such a credit.

2.0. Goal

The goal of this tax credit, as derived from the legislative intent of the General Assembly expressed during the 2014 legislative session, is to provide an incentive for residents of Baltimore City, who are planning to relocate from their existing dwelling to another dwelling, to remain in Baltimore City.

3.0. Definitions

The terms defined in Ordinance 14-0303 have the definitions set forth in that ordinance and nothing contained herein shall be interpreted to alter those definitions.

3.1 Newly Purchased

The term “Newly Purchased” is defined as having been transferred for consideration following the submission of an initial application for the tax credit provided in Ordinance 14-0303 that adheres to the application requirements set forth in these rules and regulations.

3.2 Tax Year

The term “Tax Year” is defined as a 12 month period, or any portion thereof, beginning on July 1 of a calendar year.<sup>1</sup>

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<sup>1</sup> Accordingly, the “5 Tax Years Preceding the Purchase of the New Dwelling” shall be interpreted as the taxable period, beginning July 1, in which the new dwelling is purchased and each of the four preceding taxable periods beginning on the first day of July. For example, if an applicant submits an application for the credit on September 15, 2016, he or she will need to have received the tax credit provided under section 9-105 of the State Tax – Property Article {Homestead Tax Credit} for his or her existing, or previously owned, dwelling on the tax bills that he or she received for that dwelling dated July 1, 2016; July 1, 2015; July 1, 2014; July 1, 2013; and July 1, 2012. If an applicant has transferred his or her previous dwelling prior to July 1 of a given year, he or she must also apply for the credit and purchase a new dwelling prior to July 1 of that year in order to be eligible for the credit.

**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**RESIDENT RETENTION (PORTABLE HOMESTEAD)**

**4.0. Applications**

**For All Applications:**

The application requirements set forth below include specific deadlines relative to the submission of certain documents and the completion of certain steps in the application process. These deadlines are binding upon all applicants and will not be altered for any individual applicant. Failure to meet any of the deadlines outlined below shall result in the cancellation of the applicant's application and could potentially render the applicant permanently unable to receive the credit. By applying for this credit, an applicant acknowledges these requirements and agrees to be bound by the deadlines set forth below.

All applications shall be submitted electronically via the Baltimore City Department of Finance's Automated Tax Credit Application System (hereinafter "the System"). This system can be accessed via the internet at the following url:

<https://cityservices.baltimorecity.gov/PropertyTaxCredits>

All applicants will need to register with the system and create an account that can be used to apply for the tax credit.

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant and no extensions shall be granted regarding any of the time requirements outlined below due to issues beyond the control of the City of Baltimore's Department of Finance.

**4.1 Initial Application**

Prior to the purchase of a new dwelling, an applicant shall submit an initial application for this credit via the System at the website listed above. This initial application shall include the following:

- A. The real property account information for the dwelling within Baltimore City for which the applicant has received a tax credit under section 9-105 of the State Tax – Property Article {Homestead Tax Credit} for the preceding 5 tax years (hereinafter referred to as the "qualifying property").
- B. The real property account information for the dwelling within Baltimore City that the applicant intends to purchase.

The System will verify initial eligibility for this credit by confirming that the qualifying property has received the Homestead Tax Credit for the preceding five years and locating the property that the applicant intends to purchase within the real property records for Baltimore City.

**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**RESIDENT RETENTION (PORTABLE HOMESTEAD)**

By submitting this initial information the applicant agrees to all of the terms and conditions set forth on the application, including, but not limited to, the affirmation that the applicant has had, for the time period required, a legal interest in the qualifying property, and has the express permission of any other parties with a legal interest in the qualifying property to submit the application. A qualifying property may only be used once to qualify for this tax credit and the City of Baltimore shall not be liable for any potential damages arising out of the unauthorized use of a qualifying property by less than all of the parties with a legal interest in said property to apply for this credit.

Upon submission of this initial information, the System will either confirm or reject the application based upon either the status of the Homestead Tax Credit for the qualifying property or the location of the property to be purchased. If the System rejects an application, the applicant is encouraged to verify the information submitted corresponds to the information on the real property tax bill for the qualifying property by visiting the City of Baltimore's Real Property Tax website available at the following url:

<http://cityservices.baltimorecity.gov/realproperty/>

If accurate information is provided for a qualifying property that meets the necessary requirements, the applicant will be able to save the initial application and will be required to provide certain survey information in order to proceed. Once the initial application has been saved and submitted, the applicant will be notified by email that the application has been received and whether funding is currently available for the credit. If funding is available, the applicant will be notified in the same email that he or she has 15 days to submit a signed contract for the purchase of the new home. If no funds are available, the email will inform the applicant of this fact, and the applicant may later receive an email notifying him or her that funds have become available.

If the applicant fails to submit an electronic copy of a signed contract for the purchase of the new dwelling identified in the initial application, the System, within 15 days of being notified that funds are available, the initial application will be rendered invalid and the applicant will have to reapply.

An initial application is only valid with respect to the new dwelling identified in the application. Further, only one initial application may be submitted for each qualifying property. Accordingly, no initial application should be submitted until the applicant has identified a property that he or she intends to purchase. Additionally, while the applicant may have a signed contract prior to submitting the initial application, he or she may not have already obtained title to the new dwelling.

The City of Baltimore does not guarantee the availability of this credit and assumes no liability for properties purchased in anticipation of the credit that do

**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**RESIDENT RETENTION (PORTABLE HOMESTEAD)**

not receive the credit due to eligibility issues with the applicant, the qualifying property, the new dwelling, or the unavailability of funds. If, at any time after submitting the initial application, but before submitting part II of the application, the applicant wishes to voluntarily withdraw his or her initial application, he or she should do so through the options provided in the System.

**4.2 Application Part II - Contract for Sale**

Once the applicant has been notified that funds are available, the applicant must reenter the application in the System and upload a copy of the signed contract for the sale of the new dwelling within 15 days. This second stage of the application process may be completed immediately following the initial application for those applicants that have already signed a contract for the purchase of their new dwelling.

Once this document has been uploaded, the applicant will again receive an email confirming receipt of the application and notifying the applicant that he or she has 60 days in which to close on the property and submit an electronic copy of the completed and signed HUD-1 or a comparable document for the new dwelling.

**4.3 Application Part III – HUD 1**

After the applicant has submitted the signed contract required in section 4.3, the applicant has 60 days to close on the property and complete the application process by submitting an electronic copy of a signed and completed HUD-1 for the new dwelling. This HUD-1 must be dated no earlier than the date of the initial application for the credit.

Following submission of the HUD-1, the applicant will receive an email acknowledging receipt of the submission. Once the Department of Finance has reviewed the final submission, the applicant will be notified via email as to the final status of the application. If the application receives final approval, the applicant will receive the tax credit on the next full year tax bill the applicant receives for the new dwelling.

**4.4 Application by Agent**

Applications may be made by a party representing the owner of the qualifying property in the purchase of his or her new dwelling. Such applicants shall be required to acknowledge their agent relationship on the application's signature page and in doing so shall accept all of the liability associated with the application as mentioned in section 4.2.

**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**RESIDENT RETENTION (PORTABLE HOMESTEAD)**

**5.0. Eligibility**

**5.1 Initial Eligibility:**

To be eligible to apply for this credit an applicant must have owned, occupied, and received a Homestead Tax Credit on, a dwelling in Baltimore City for the five years preceding the purchase of a new dwelling in Baltimore City. The applicant must apply for this credit, following the procedures outlined in section 4 of these rules and regulations, prior to the purchase of the new dwelling. Finally, following the purchase of the new dwelling, the applicant must occupy the new dwelling as his or her principal residence and apply for the homestead credit provided in § 9-105 of the State Tax-Property Article by submitting the necessary application to the Maryland State Department of Assessments and Taxation.

**5.2 Determination of Final Eligibility:**

The applicant must follow the procedures outlined in section 4 of these rules and regulations, meet the necessary eligibility criteria specified throughout these rules and regulations, and apply at a time when there is funding available for the credit. If all of these conditions are met, the applicant will be notified by the Department of Finance that he or she will be receiving the credit.

**5.3 Continuing Eligibility:**

To continue to receive the credit the property owner shall:

- Continue to maintain the property as the owner's primary residence;
- File a State income tax return as a resident of Baltimore City each year;
- Submit a copy of that return electronically to the Director of Finance through the System no later than May 30 of the year in which the return is filed; and
- Update any contact information the applicant has provided in the System whenever a change in such information occurs.

**5.4 Transferability of Credit**

The credit is non-transferable.

**6.0 Term of Credit and Commencement of Credit Term**

The credit is for a fixed period of 5 years. The 5-year period commences with the first full year tax bill issued to the applicant for the newly purchased dwelling following final approval of the credit. Under no circumstances will a credit be applied to any part of a tax year less than a full tax year. No credits shall be issued retroactively. Once this credit has been issued, the property for which it has been issued shall be prohibited from receiving a Homestead Tax credit under



**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**RESIDENT RETENTION (PORTABLE HOMESTEAD)**

the State Tax-Property Article, regardless of the relative value of any such potential credit.

Funds allocated for this tax credit are awarded on a first come – first served basis. If, in any of the five tax years immediately following the tax year in which final approval for the credit was granted, the credit recipient fails to meet the continuing eligibility requirements, the applicant will no longer receive the credit.

**7.0 Calculation of Amount of Credit**

**All Credits:**

The credit is applied to City real property taxes only. The tax credit is a fixed amount in each of the first five years that the newly purchased dwelling is owned by the applicant and the applicant meets the continuing eligibility requirements outlined above. Upon award of the credit contained herein, the applicant will no longer be eligible for the Homestead Tax Credit on the qualifying property.

Upon termination of the credit, the applicant is entitled to the local portion of the Homestead Tax Credit”, which shall be calculated as if the applicant had received the credit beginning in the second year the applicant occupied the dwelling, and based on the full assessed value of the dwelling in each year the applicant received the credit granted herein.

**7.1 In General:**

The credit is a fixed credit of \$4,000 and shall be allocated and applied over a period of five years as follows:

Year 1	\$1,000
Year 2	\$900
Year 3	\$800
Year 4	\$700
Year 5	\$600

**7.2 Dwelling Located within Low or Moderate Income Census Tract:**

- (i) For applications filed on or after October 1, 2015, the fixed amount of the credit is \$5,000 for a homeowner who purchases a dwelling located within a low or moderate income census tract, as designated from time to time by the U.S. Department of Housing and Urban Development and in which at least 51% of the persons living in the tract are in households earning 80% or less of the area median income.
- (ii) A homeowner who was residing within a low or moderate income census tract, as described in subparagraph (i) of this paragraph, when the homeowner submitted the final application for the credit remains eligible for the higher credit authorized by this paragraph even if, after

**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**RESIDENT RETENTION (PORTABLE HOMESTEAD)**

the date of the application, the census tract changes and the homeowner would otherwise be ineligible for the higher credit during the 5-year period.

- (iii) The \$5,000 shall be allocated and applied over a period of five years as follows:

Year 1	\$1,200
Year 2	\$1,100
Year 3	\$1,000
Year 4	\$900
Year 5	\$800

**7.3 Tax Liability Floor**

At no time shall the Portable Homestead Tax Credit described herein reduce the applicant's tax liability on the newly purchased dwelling below the tax liability that existed on the qualifying property at the time of application.

**8.0 Tax Subsidy Duplication**

This credit does not apply to any property for which a local optional real property tax subsidy is being received or has been applied for. For purposes of this section, a tax subsidy may take the form of a tax credit, payment in lieu of taxes, or otherwise.

This tax credit can be combined with the Homeowner's tax credit because the Homeowner's tax credit is considered to be a State mandatory tax limit not a City credit.

This tax credit may also be combined with any City tax credit if said combination is specifically provided for in both the enabling legislation of § 9-304 of the State Tax Property Article and Article 28 of the City Code.

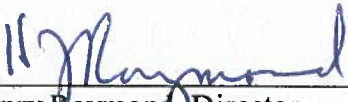
**9.0 Program Sunset Provision**

Applications for the tax credit will not be accepted after June 30, 2019. No new credit shall be granted for any tax year beginning on or after July 1, 2020. Any credit recipient receiving a credit initially granted and received for a tax year ending on or before June 30, 2020 shall continue to receive the credit per the terms outlined above and in Ordinance 14-0303.

**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**RESIDENT RETENTION (PORTABLE HOMESTEAD)**

These rules and regulations become effective July <sup>10, 2015</sup> 2015 and have been filed with the City of Baltimore Department of Legislative Reference.

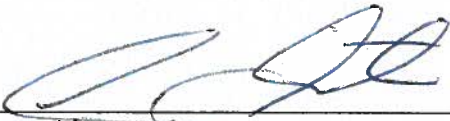
Issued and Approved:

  
\_\_\_\_\_  
Henry Raymond, Director  
Department of Finance

7/10/15  
Date

  
\_\_\_\_\_  
Hilary Ruley, Chief Solicitor  
Law Department

5/27/2015  
Date

  
\_\_\_\_\_  
Avery Aisenstark  
Legislative Reference

7/10/15  
Date

**Subtitle 01 PROPERTY TAX CREDITS**

CHAPTER 12 URBAN AGRICULTURAL PROPERTY

Administrative History

Effective Date: June 7, 2015

**RULES AND REGULATIONS - PROPERTY TAX CREDITS**  
**URBAN AGRICULTURAL PROPERTY**

1.0. Background

These rules and regulations are issued pursuant to the authority granted to the Director of Finance by Ordinance 15-350, effective June 7, 2015, and codified in Section 10-19 of Article 28 of the City Code, which provides for property tax credits on qualified urban agricultural property; as authorized by Section 9-253 of the Tax-Property Article of the Maryland Code.

2.0. Goal

The goal of this tax credit is to encourage the continuous agricultural use of otherwise vacant land in the City of Baltimore for the production of agricultural products and the continued maintenance of such property.

3.0. Definitions

The terms defined in Section 10-19 of Article 28 of the City Code have the definitions set forth in that ordinance and nothing contained herein shall be interpreted to alter those definitions.

4.0. Applications

For All Applications:

The application requirements set forth below include specific deadlines relative to the submission of certain documents and the completion of certain steps in the application process. These deadlines are binding upon all applicants and will not be altered for any individual applicant. Failure to meet any of the deadlines outlined below shall result in the cancellation of the applicant's application. By applying for this credit, an applicant acknowledges these requirements and agrees to be bound by the deadlines set forth below.

All applications shall be submitted electronically to the Baltimore City Department of Finance at the following email address:

[Tax.Credits@baltimorecity.gov](mailto:Tax.Credits@baltimorecity.gov)

No applications or required documents shall be accepted in paper form. The City of Baltimore shall not be responsible for any connectivity issues experienced by the applicant and no extensions shall be granted regarding any of the time requirements outlined below due to issues beyond the control of the City of Baltimore's Department of Finance.

#### 4.1 Pre-Application Requirements

Prior to applying for this credit, a qualifying urban agriculture property must be used to establish a qualifying urban agriculture purpose. The limitations on qualifying urban agriculture property are set forth in section 9-253 of the Tax-Property Article of the Maryland Code. If the applicant for this credit is not the owner of the property, permission must be obtained from the property owner before applying for this credit.

For the purposes of this credit, a qualifying urban agriculture purpose is limited to the production of animals, animal products, plants, or plant products, with a minimum annual market value of \$5,000 and the other acceptable purposes listed in Section 9-253 of the Tax-Property Article of the Maryland Code. Additionally, the property in use may not be used for any other purposes that would subject the parcel to property tax liability. This includes, but is not limited to: any dwelling, any structure not utilized exclusively for qualifying urban agriculture purposes, and any income generating purpose other than the qualifying urban agriculture purpose.

Once a qualifying urban agriculture purpose has been established on a qualifying urban agriculture property, and the past, current, or anticipated production has been shown to achieve the required \$5,000 market value, an application for this tax credit may be submitted.

#### 4.2 Application Part I – Initial Application

The application for this credit and instructions for its completion are available on the website of the Baltimore Office of Sustainability:  
[www.baltimoresustainability.org](http://www.baltimoresustainability.org)

The application should be completed in its entirety, signed and submitted electronically to the Baltimore City Department of Finance at the following email address:  
[Tax.Credits@baltimorecity.gov](mailto:Tax.Credits@baltimorecity.gov)

Applications must be received between January 1<sup>st</sup> and April 1<sup>st</sup> in order to be considered for the credit in the tax year that begins on July 1<sup>st</sup> of that same calendar year. No partial year credits will be granted and all applications received outside of the application period will not be considered.

#### 4.3 Application Part II – Continuing Eligibility

Once a credit has been initially granted, the applicant is responsible for annually submitting the continuing eligibility form no later than April 1<sup>st</sup> of the tax year for which the credit has been granted. This form is also available on the website of the Baltimore Office of Sustainability and should be submitted to the Baltimore City Department of Finance at the email address listed above. The continuing eligibility form shall be reviewed by the Baltimore Office of Sustainability, which

shall have sole responsibility for verifying that the credit recipient remains eligible to receive the credit.

#### 4.4 Application Supplemental – Request for Waiver of Value Requirement

If a credit applicant is unable to meet the value requirement of the credit, but wishes to continue receiving the credit, a request for a waiver of the value requirement may be submitted. This request must be on the form provided by the Baltimore Office of Sustainability and must be submitted to the Department of Finance at the website listed above. The Baltimore Office of Sustainability will consider requests for a waiver of the value requirement only if the agricultural use of the property:

- A) is newly established, or
- B) has suffered an unexpected disaster, such as drought, vandalism, or infestation.

All decisions regarding requests for waivers of the value requirement will be made by the Baltimore Office of Sustainability and will be final. Additionally, a waiver of the value requirement may not be granted for more than two consecutive tax years.

### 5.0. Eligibility

#### 5.1 Initial Eligibility:

To be eligible to apply for this credit an applicant must have a legal interest in qualifying urban agriculture property as defined in section 9-253 of the Tax-Property Article of the Maryland Code. If said interest is less than fee simple ownership, the applicant must have the express written permission of the property owner in order to apply for this credit. Any application submitted without the express written permission of the property owner will be deemed fraudulent and will not be considered for the credit.

An applicant must also have established a qualifying urban agriculture use for the property. The qualifying urban agriculture uses for the purposes of this credit are limited to the production of animals, animal products, plants or plant products and the other acceptable purposes listed in Section 9-253 of the Tax-Property Article of the Maryland Code. Applicant must complete an initial application for the credit. Applicant's signature on said application acknowledges that the credit may be rescinded if any of the eligibility requirements are not met and, if rescinded, any previously awarded credit amounts, and a surcharge on those amounts, will become due from the property owner.

#### 5.2 Determination of Eligibility:

The applicant must follow the procedures outlined in section 4 of these rules and regulations, meet the necessary eligibility criteria specified throughout these rules



and regulations, and apply during the specified application period. The Baltimore Office of Sustainability and the Department of Finance will determine if the eligibility criteria for the credit have been met.

### 5.3 Continuing Eligibility:

To continue to receive the credit the applicant shall ensure that the property for which the credit is granted continues to qualify as an urban agriculture property. Failure to maintain continuous urban agricultural use at any time during the 5-year term of the credit or during the 5-year renewal term will result in the termination of the credit and the recovery of all previously issued credits and any applicable surcharges.

Additionally, continuing eligibility for the credit shall be dependent upon the applicant:

- 1) Submitting all annually required documentation in a timely manner;
- 2) Ensuring that the property for which the credit is granted continues to comply with all the requirements of the Baltimore City Building, Fire, and Related Codes Article

Failure to comply with any of these requirements shall result in the immediate termination of the tax credit herein provided.

### 5.4 Transferability of Credit

Any owner is responsible for repayment of any past credit granted to that property under any past ownership if during the life of the credit the property ceases to be eligible for the credit.

## 6.0 Term of Credit and Commencement of Credit Term

The credit is for a fixed period of 5 tax years. The 5-year period commences with the first tax year beginning after approval of the credit application and expires at the end of the fifth tax year beginning after approval of the credit application.

On application made no later than 90 days prior to the expiration of the 5-year term, a property owner may apply to renew the credit for an additional 5 tax years.

## 7.0 Calculation of Amount of Credit

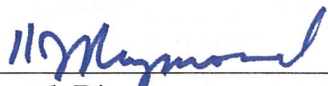
The credit is applied to City real property taxes only. The tax credit is equal to the amount of City real property tax that would otherwise be due on the property less the amount of any other credit applicable to the property in that tax year, multiplied by 90%.

## 8.0 Annual Reporting Provision

The Sustainability Office, after consultation with the Director of Finance, must analyze the public costs and benefits of the credits herein provided for and must annually report its findings to the Board of Estimates and the City Council.

These rules and regulations become effective 3/31/17 and have been filed with the City of Baltimore Department of Legislative Reference.

Issued and Approved:

  
\_\_\_\_\_  
Henry Raymond, Director  
Department of Finance

3/31/17  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Hilary Ruley, Chief Solicitor  
Law Department

3/28/17  
\_\_\_\_\_  
Date

  
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Avery Aisenstark, Director  
Legislative Reference

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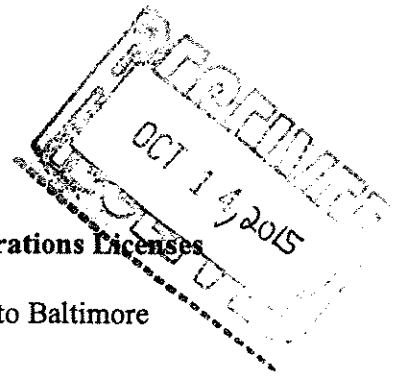
**Subtitle 02 LATE NIGHT COMMERCIAL OPERATIONS**

CHAPTER 01 LICENSES

Administrative History

Effective Date: October 14, 2015

## AMENDED RULES AND REGULATIONS – Late-Night Commercial Operations Licenses



The Director of Finance adopts these Amended Rules and Regulations pursuant to Baltimore City Code, Article 15, § 9-3 (a).

### I. Background

Baltimore City Code, Article 15, Subtitle 9, requires that certain businesses in an R, O-R, B-1, or B-2 Zoning District in the city obtain a late-night commercial operations license to operate any time between the hours of midnight and 5 a.m. Hotels, motels, restaurants and taverns operating during hours authorized by their alcoholic beverage licenses, the sale of motor vehicle fuels, the provision of emergency medical or veterinary care, video lottery facilities operating during hours authorized by their State Video Lottery Operating Licenses, and drive-through food-service windows, if all their indoor sales and dining areas are closed to the public during late-night hours and no pedestrians are served at their windows during late-night hours, are excepted from the coverage of Subtitle 9. The Department of Finance is charged with issuing the licenses.

### II. Definitions

A. The Director adopts and incorporates the terms as used in Baltimore City Code, Article 15, §§ 9-1 and 9-2.

B. In addition, the terms as used in these Rules and Regulations have the following definitions:

1. "Applicant" means the person or business applying to the Department of Finance for a late-night commercial operations license.
2. "Bureau" means the Bureau of Revenue Collections in the Department of Finance.
3. "Codes" means the Building, Fire, and Related Codes of Baltimore City; the Health Code of Baltimore City; and the Zoning Code of Baltimore City.
4. "Day" means calendar day.
5. "Licensee" means the holder of a late-night commercial operations license and includes a person or business applying for a renewal of such a license.
6. "Mail" means by regular, first class, United States mail. It does not mean certified or registered mail or restricted delivery.
7. "Ordinance" means Baltimore City Code, Article 15, Subtitle 9.

### III. Applications

A. To apply for a late-night commercial operations license, all applicants must submit a copy of the application form attached to these Amended Rules and Regulations along with an indoor and outdoor security plan, comply with the Ordinance, and pay an annual fee of \$460 per business, subject to adjustment in accordance with the City Fee Policy. All applications must be filed with the Bureau of Revenue Collections, 200 Holliday Street, Wolman Municipal Building, Room 3, Baltimore, Maryland 21202. Any questions should be directed to the Bureau in person, at (410) 361-9690, or at [COBBusinessLicense@baltimorecity.gov](mailto:COBBusinessLicense@baltimorecity.gov).

B. Any person who owns or who is the franchisor of 2 or more businesses subject to the Ordinance may submit a joint application to license each of those businesses and may remit in one lump-sum payment the aggregate application fees owed for all the businesses.

C. On filing an application for an initial license, the applicant must obtain a sign from the Bureau and post it on the premises, such as in a window or on a door, so that it is visible to the public passing by the premises. The Bureau will add to the sign a date at least 15 days after the date that the applicant files the application. The sign must be posted for at least 15 days. Within 5 days after filing an application, the applicant also must e-mail or send by certified or registered mail notice of the application to the City Councilmember who represents the Councilmanic District in which the business is located. In addition, the Bureau will notify the Councilmember as soon as practicable after the application is filed. If the sign is not posted on the premises for at least 15 days and for at least 12 days after the Councilmember receives notice of the application, then the applicant must re-post with an appropriate date. The Bureau shall charge \$5.00 for the first sign and \$10.00 for each additional sign.

D. Within 15 days after the last day of the last 15-day period for posting the sign in paragraph III.C. of these Amended Rules and Regulations, the Bureau must grant or deny an application. A denial must be based solely on one or more of the following factors:

1. The applicant failed to pay the applicable license fee on or before the due date;
2. The applicant made any material false statement in any initial or renewal application;
3. The applicant failed to abate within 30 days of receipt any notice or citation for violating any provision of the Codes;
4. The applicant failed to comply with any provision of the Ordinance, these Amended Rules and Regulations, or a condition imposed under this subtitle on the license;
5. The specific days and hours proposed for late-night operations;
6. The application lacks an adequate indoor and outdoor security plan;
7. The applicant is unable or unwilling to accept reasonable conditions on the license to protect the public health, safety, or welfare; or
8. Ten or more written objections from different real property owners, commercial tenants who do not hold or have pending applications for a late-night operations license, or residents within the impact area of the business are received by the Bureau within all the posting periods.

E. If an application is denied, then within 7 days after the last day of the last posting period the Bureau must mail to the applicant notice of the denial, the reason or reasons for the denial, and notice of the right to file a written appeal within 30 days after receiving the denial to the Director of Finance for an administrative review of the application.

#### IV. Administrative Review

A. Within 30 days after the timely filing of an appeal, the Director of Finance must notify the applicant in writing of his or her decision to affirm the denial or to direct the Bureau to grant the license.

B. In reviewing the application, the Director must consider:

1. All letters submitted in opposition to or in support of the application;
2. Whether the applicant failed to pay the applicable license fee on or before the due date;
3. Whether the applicant made any material false statement in any initial or renewal application;
4. Whether the applicant failed to abate within 30 days of receipt any notice or citation for violating any provision of the Codes;
5. Whether the applicant failed to comply with any provision of the Ordinance, these Amended Rules and Regulations, or a condition imposed under this subtitle on the license;
6. The specific days and hours proposed for late-night operations;
7. The adequacy of the applicant's indoor and outdoor security plan, including any evaluation made by the Police Commissioner or his or her designee; and
8. The applicant's ability and willingness to accept reasonable conditions on the license to protect the public health, safety, or welfare.

#### V. Expiration and Renewal

A. Each license expires annually on the anniversary of its issuance and is renewable.

B. To renew a license, the licensee must apply no less than 60 days nor more than 90 days before the license expires. All licensees who want to renew must submit a copy of the renewal application form attached to these Amended Rules and Regulations, comply with the Ordinance, and pay an applicable fee. All renewal applications must be filed with the Bureau of Revenue Collections, 200 Holliday Street, Wolman Municipal Building, Room 3, Baltimore, Maryland 21202. All licensees who want to renew also must post the premises for 15 days using the same procedures as stated in paragraph III. C. of these Amended Rules and Regulations.

C. Within 7 days after the last day of the 15-day posting period after the renewal application is submitted, the Bureau must grant or deny a renewal application. A renewal application must be denied if ten or more written objections from different real property owners, commercial tenants who do not hold or have pending applications for a late-night operations license, or residents within the impact area of the business are received by the Bureau within all the posting periods.

D. If an application or renewal application is denied, then the applicant or licensee may not re-apply for at least 12 months from the date of the final decision of the Bureau, Director, or court.

E. If a renewal application is denied, then within 7 days after the renewal period the Bureau must mail to the applicant notice of the denial, the reason or reasons for the denial, and notice of the right to file a written appeal within 30 days after receiving the denial to the Director of Finance for an administrative review of the application.

F. The filing of an appeal to the Director does not stay the decision of the Bureau pending the Director's decision. The considerations and decisions of the Director shall be as provided in paragraph IV. B. of these Amended Rules and Regulations.

#### VI. Suspension, Revocation, or Fine

A. The Bureau, or on appeal the Finance Director, may deny, suspend or revoke a late-night commercial operations license or renewal of such a license for any of the following causes:



1. failing to pay the full amount of the applicable license fee on or before the due date,
2. making any material false statement in any application for a license or renewal,
3. failing to abate within 30 days of receipt any notice or citation for violating any provision of the Codes,
4. failing to comply with any provision of the Ordinance,
5. failing to comply with any provision of these Amended Rules and Regulations, or
6. failing to comply with a condition imposed under any provision of the Ordinance.

B. For any violation that is cause for suspending or revoking a license, the Bureau or, on appeal the Finance Director, may instead of or in addition to suspending or revoking the license, impose a civil fine of not more than \$500 for the first offense and not more than \$1,000 for any subsequent offense.

C. This paragraph only applies to an appeal of a decision to suspend or to revoke a license or to impose a fine; it does not apply to the denial of an application or a renewal of a license. Within 30 days after receiving the Bureau's decision to suspend or to revoke a license or to impose a fine, the aggrieved party may file a written appeal to the Director of Finance for administrative review. The filing of the appeal stays the decision of the Bureau pending the Director's decision. Within 30 days after the filing of the appeal, the Director must notify the applicant in writing of his or her decision to affirm, to reject, to increase, or otherwise to modify any or all of the appealed sanctions.

These Amended Rules and Regulations are effective this \_\_\_\_\_ day of \_\_\_\_\_, 2015, and have been filed with the Department of Legislative Reference pursuant to § 9-3 (b) of the Ordinance.

Issued and Approved:

  
\_\_\_\_\_  
Henry J. Raymond, Director of Finance

10/14/15  
\_\_\_\_\_  
Date

**Subtitle 02 LATE NIGHT COMMERCIAL OPERATIONS**

CHAPTER 02 DENIALS ON RENEWAL

Administrative History

Effective Date: October 14, 2015

## **Late Night Commercial Operations Licenses- Denials on Renewal- Administrative Review**

### **1. Authority**

Pursuant to Baltimore City Code, Art. 15, § 9-3, these Rules apply to hearings conducted by the Department of Finance ("Department") concerning renewals of, but not original applications for, Late-Night Commercial Operations licenses ("licenses"). These Rules adopt and incorporate the terms as defined and used in Subtitle 9 of Art. 15.

### **2. Eligibility/Notice**

Any licensee who is denied renewal and is notified by the Department of the right to appeal the decision to the Finance Director ("Director") pursuant to Art. 15, § 9-10, will also be notified by the Department of the right to a hearing on that appeal.

### **3. Requesting a Hearing**

Unless a licensee requests the Director to conduct a hearing, the Director shall decide the appeal on the record before the Department and on any arguments submitted in writing by the licensee and the Department. If a licensee desires a hearing, then a request for a hearing must be made in writing to the Director at the same time as filing of the appeal. The Director shall grant a timely hearing request and may waive the deadline for good cause if requested by the licensee. The Department may not request a hearing. A request for a hearing must contain the following:

- a. The name and address of the licensee;
- b. The name and address of the business location subject to the license;
- c. A copy of the decision rendered by the Department to deny the renewal; and
- d. A statement of the law and facts, including any disputed facts, in support of the claim on appeal.

### **4. Scheduling of Hearing/Notice**

Within 7 days after receiving a request for a hearing, the Director shall schedule the date for the hearing to be held within 20 days after receiving the request. The licensee shall be notified by regular mail of the hearing date and location no less than 5 days prior to the hearing. The Director also may notify the licensee of the date and location of the hearing by e-mail if the licensee provides an e-mail address with the request for the hearing. Notice of the hearing date and location also shall be conspicuously posted by the licensee at the business location subject to the license no less than 5 days prior to the hearing and shall remain posted until the hearing is held.

### **5. Postponement**

The Director shall grant one written request for a postponement of the hearing if the request is made at least 48 hours prior to the time of the hearing. Any further requests for postponement are within the sole discretion of the Director.

### **6. Failure to Appear**

Should the licensee fail to appear at the hearing, the Director may affirm, reject, or modify the Department's decision on the renewal or schedule a new hearing within his or her sole discretion.

### **7. Hearing Officer Designation and Responsibilities**

The Director may designate a City official or employee as a Hearing Officer to preside over the hearing. The Hearing Officer shall be impartial. The administration of oaths, receipt and ruling on evidence, overseeing procedural requests and general regulation of the procedure are the responsibilities of the Hearing Officer. The Hearing Officer may notify City personnel involved in the matter of the hearing date and location and a copy of the information detailed in Section 3.

### **8. Conduct of Hearing**

The Hearing Officer may reasonably limit the time allowed to either party at the hearing to make arguments. The appeal shall be limited to the record before the Department, the request for the hearing, and the arguments made at the hearing. No additional or new evidence or testimony shall be introduced or considered at the hearing, other than as specified in this Rule. If the licensee asserts any disputed facts in his or her request for a hearing, then the licensee and Department may proffer evidence to the Hearing Officer that is relevant to the dispute. In his or her sole discretion and for good cause shown, the Hearing Officer may admit additional evidence into the record as to the disputed facts. The Hearing Officer need not apply the technical rules of evidence at the hearing but may hear any probative argument and may admit hearsay in his or her sole discretion.

### **9. Open Hearing**

The hearing shall be open to the public. However, the public shall not be permitted to speak, to address the participants or to ask questions at the hearing and shall not be permitted to record the audio or visual portion of the hearing. Those being disruptive to the proceedings may be asked to leave.

### **10. The Hearing Record**

An official record shall be kept by the Department of the hearing to preserve the appeal for judicial review. The audio portion of the hearing shall be recorded and the Department shall retain a copy file of the written applications, documentary evidence, procedural requests, list of all those testifying at the hearing, and any motions filed or stipulations made. A visual record of the hearing need not be made.

### **11. Final Decision**

The Hearing Officer shall issue a written report and transmit the official record to the Director within 5 days after the close of the hearing. The report shall make findings of fact, conclusions of law, and a recommendation to affirm, to reject, or to modify the Department's decision on the renewal. Within 5 days after receiving the report and record, the Director shall render his or her decision in accordance with Art. 15, §9-9. If no hearing has been requested, then the Director shall enter his or her final decision in accordance with Art. 15, §9-9 within 30 days after receiving the appeal.

11 Raymond

Henry J. Raymond  
Director of Finance

6/23/17

Date

**Subtitle 03 PARKING LOTS - LICENSE AND TAXATION**

Administrative History

Effective Date: January 27, 2012

# City of Baltimore



## Parking Lot License and Taxation

### Rules and Regulations

Department of Finance  
January 27, 2012

PARKING LOT TAX

• RULES AND REGULATIONS

ADOPTED UNDER THE AUTHORITY OF SECTION 73 (g) OF ARTICLE 28  
Of the Baltimore City Code as last amended by Ordinance {318  
Approved June 29, 1989

The operator shall retain in his files at his principal business or some other convenient location duplicate copies of this return along with records and information in support of all returns. All such supporting information shall be retained by the operator for the same period as is required for Federal tax purposes.

Monthly returns may be filed on a consolidated basis for each business entity or for each lot as be most convenient for the operator provided that a detail of the transactions and taxes collected for each location is submitted by attachments. Each return shall contain the name and business address of the operating entity, and the address of each lot operated. The amount of tax collected shall be stated separately as to the collections for monthly, weekly, and daily parkers.

Any exception claimed by virtue of non-taxable status under this ordinance, or of Federal vehicles, or by International Agreements between the United States and any foreign government, shall be reported. Exemptions claimed must be supported by validated parking tickets or by form supplied by the Department of Finance in the case of Federal or foreign government vehicles, duly signed by the individual claiming the exemption. The operator shall retain all exemptions honored by him in his files in the same manner and for the same period of time as all other pertinent information.

The return shall be signed by the Owner, Officer, Partner, or Authorized Representative of the operating entity as to the correctness and accuracy of the return.

The tax shall not apply to residential parking of apartment tenants Where an arrangement for such tenant parking is provided in the apartment lease or in a separate writing between the landlord and tenant, whether the parking charge be payable to the landlord or the operator of the parking lot or garage.

Failure to fully comply with any or all rules or regulations promulgated by the Director of Finance pursuant to the authority contained herein, or to keep complete and proper records as required shall be guilty of a misdemeanor and shall be fined not more than \$1,000 or imprisoned not more than six (6) months, or both, for each offense.



# City of Baltimore

## Parking Lot License and Tax

### Rules and Regulations

Adopted under the authority of subtitle 22, of article 28, and subtitle 12-1 of article 15 of the Baltimore City Code, **approved** December 19, 2001, and last amended by Ordinance 11-572, effective January 4, 2011.

These rules and regulations are issued pursuant to the authority granted to the Director of Finance to collect parking tax.

#### I. Background

Parking tax is levied and imposed on the privilege of parking a motor vehicle on any parking lot or garage in the City in exchange for a fee or other consideration paid by the parker. The current parking tax rate is 20% of the fee or consideration value paid. The liability for payment of the tax is on the person who seeks the privilege of occupying a space on a parking lot or in a garage.

#### II. Definitions

1. Parking means the parking, storage, housing, or keeping of a motor vehicle, whether self-service or valet-service, long-term or short-term, ticketed or metered, or special events only.
2. Parking lot means any outdoor area or space for the parking, storage, housing, or keeping three or more motor vehicles in exchange for a fee or other consideration value.
3. Parking facilities are defined in Subtitle 12, Article 15 of the Baltimore City Code as any parking lot, garage, structure, or part of a structure for the parking, storage, housing, or keeping of three or more motor vehicles in exchange for a fee or other consideration.
4. Special-Event Parking Lot means a parking lot that:
  - 4.1. is not otherwise licensed under subtitle 12 of Article 15;
  - 4.2. is located within the special-event parking district;
  - 4.3. provides parking services to persons attending sporting, social, cultural, or other special events;
  - 4.4. and operates only on days in which events are held at M&T Stadium or Camden Yard Ball Park, and is limited to 149 or fewer days annually
5. Special Event Parking District means the area of the city delineated in Baltimore City zoning code § 10-601(b)
6. Person means an individual, a partnership, firm, association, limited liability company, corporation, receiver, trustee, guardian, personal representative, fiduciary, a governmental entity or instrumentality or unit of the governmental entity, and other entity of any kind and representative of any kind.

#### III. License

1. Parking lot and special-event parking facilities must obtain a license from the Finance Department, as described in subtitles 12-2 and 13-5 through 13-12 of Article 15 of the Baltimore City Code.
2. The operator shall retain in his files at his principal business or some other convenient location, duplicate copies of parking tax returns along with records and information in support of all returns, including all sales and collection data. All such supporting information shall be retained by the operator for the same period as is required for Federal Tax purposes. This information is subject to revision by Baltimore City inspectors or auditors.
3. Monthly parking tax returns must be filed, and all tax monies must be collected and remitted to the City by the 25<sup>th</sup> of each month for each individual parking facility. The amount of tax collected shall be stated separately as to the collections for the number of all non-monthly vehicles, valet parking, privately owned meters, total gross for monthly vehicles and special event parking.
4. Any exception claimed by virtue of non-taxable status under this ordinance, or of Federal vehicles, or by International Agreements between the United States and any foreign government, shall be reported. Exemptions claimed must be supported by validated parking tickets or by form supplied by the Department of Finance in the case of Federal or foreign government vehicles, duly signed by the individual claiming the exemption. The operator shall retain all exemptions honored by him in his files in the same manner and for the same period of time as all other pertinent information.
5. The return shall be signed by the Owner, Officer, Partner, or Authorized Representative of the operating entity as to the correctness and accuracy of the return.
6. The tax shall not apply to residential parking of apartment tenants where an arrangement for such tenant parking is provided in the apartment lease or in a separate writing between the landlord and tenant, whether the parking charge be payable to the landlord or the operator of the parking lot or garage, and for facilities keeping less than three motor vehicles.
7. Failure to fully comply with any or all rules and regulations promulgated by the Director of Finance pursuant to the authority contained herein, or to keep complete and proper records as required shall be guilty of a misdemeanor and shall be fined not more than \$1,000.00 or imprisoned not more than six (6) months, or both, for each offense. In addition to any civil or criminal remedy or enforcement procedure, violations may be enforced by the issuance of an environmental citation under City Code Article 1, Subtitle 40.
8. Special-event parking shall only operate on authorized days.

#### IV. Required Information and Documents for Special- Events Parking

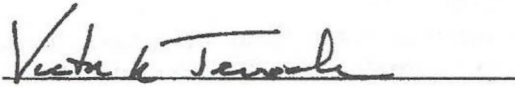
1. Name, address and telephone number of the parking lot's operator.
2. Name, address and telephone number of the owner of the property on which the parking lot will operate.
3. Address of the proposed special -event parking lot
4. The gross area of the parking lot, including all parking spaces, driveways, entrances, exits, aisles, and facilities used in connection with the operation of the parking lot.
5. The dates and times of the events for which for which the proposed parking lot will be in operation.
6. A schedule of parking fees to be charged.
7. Evidence satisfactory to the Director that the operator has obtained liability insurance.
8. A traffic management plan that ensures that the flow of pedestrian and vehicular traffic in the surrounding area is not significantly impeded by the operation of the parking lot.



9. A security plan that ensures that vehicles parked in the parking lot are protected from theft and vandalism at all times during hours of operation.
10. A diagram of the property on which the proposed parking lot would be located, showing all parking spaces, entrances, exits, aisles, and structures.
11. A signed affirmation, under penalty of perjury, that the applicant either
  - 11.1. Is the owner of the property on which the parking lot will be operated or;
  - 11.2. Is authorized by the owner of the property to operate the parking lot

These rules and regulations are effective this day or 1/27/12 and have been filed with the City of Baltimore Department of Legislative Reference.

Approved for Form and Legal Sufficiency:



Victor Tervala, Assistant City Solicitor

Issued and Approved:



Edward Gallagher, Director  
Department of Finance

1/27/12  
Date

Note: These rules and regulations replace the ones made effective December 19, 2001.

**Subtitle 04 PARKING FACILITIES - LICENSE AND TAXATION**

Administrative History

Effective Date: September 15, 2008

PARKING FACILITY TAX  
PARKING FACILITY LICENSE

RULES AND REGULATIONS

ADOPTED UNDER THE AUTHORITY OF SUBTITLE 22, OF ARTICLE 28  
Of the Baltimore City Code as last amended by Ordinance 08-070  
Approved September 15, 2008

The operator shall retain in his files at his principal business or if not located in Baltimore City, some other convenient location within the City of Baltimore, duplicate copies of all returns along with records and information in support of all returns. All such supporting information shall be retained by the operator for the same period as is required for Federal tax purposes

Monthly returns shall be filed for each individual parking facility. Each return shall contain the name and business address of the operating entity, and the address of each facility or surface lot operated.

Any exception claimed by virtue of non-taxable status under this ordinance, or of Federal vehicles, or by International Agreements between the United States and any foreign government, shall be reported. Exemptions claimed must be supported by validated parking tickets or by form supplied by the Department of Finance in the case of Federal or foreign government vehicles, duly signed by the individual claiming the exemption. The operator shall retain all exemptions honored by him in his files in the same manner and for the same period of time as all other pertinent information.

The return shall be signed by the Owner, Officer, Partner, or Authorized Representative of the operating entity as to the correctness and accuracy of the return.

The tax shall not apply to residential parking of apartment tenants where an arrangement for such tenant parking is provided in the apartment lease or in a separate writing between the landlord and tenant, whether the parking charge be payable to the landlord or the operator of the parking lot garage.

Within 120 days after the end of the operator's fiscal year, the operator shall file a Financial Report for that fiscal year with the City Auditor and The Director of Finance. The report shall be:

- Prepared in accordance with generally accepted accounting principles, consistently applied; and
- Certified by a Public Accountant.

The report shall include:

- A Balance sheet
- Statements of operation; and
- Statements of change in Financial Position and Owner's Equity

If the operator is required by its lenders or investors to obtain an audited and certified annual report, the operator shall furnish a copy of that report to the City Auditor and The Director of Finance within 30 days of its receipt by the operator.

An Audited financial report shall be submitted before the renewal of the Parking Facility License will be issued.

No person may operate a parking facility in the City of Baltimore unless the person has first obtained an annual license for the facility and has paid the annual fee for the license to The Director of Finance.

The term of the license is from May 1 of each year through April 30 of the next year. If an operator fails to purchase the parking license when due, the operator must pay the Director, in addition to the annual fee, a 10% penalty of the amount of the annual fee, and interest at the rate of 1% for each month or fraction of a month the license is overdue.

Any person, who violates any provision of this subtitle or of a Rule and Regulation adopted under this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000 or imprisoned not more than six (6) months, or to both fine and imprisonment for each offense.

All information and documentation must be received by the 25<sup>th</sup> of each month (including a completed tax form and payment) or your tax return will be considered incomplete and will incur additional penalty and interest charges.

If you have any questions or concerns, contact the Customer Service Section at 410-361-9690.

**Subtitle 05 DOCKLESS VEHICLES TAX**

Administrative History

Effective Date: August 6, 2019



### 3.6.40 Tax – Dockless Vehicles

3.6.41 Purpose: The purpose of this policy is to memorialize the Bureau of Revenue Collections' processes for the collection of dockless vehicle tax so that the City promptly receives the entire tax due and that the public is assured that the tax has been collected fairly and equally as required by law. This tax policy is adopted pursuant to BALTO. CITY CODE, ART. 28, § 31-5. Licensing of dockless vehicles is found in ART. 31, SUBTITLE 38.

3.6.42 Definitions: This policy uses and incorporates the definitions of the terms in ART. 28, SUBTITLE 31; and ART. 31, SUBTITLE 38. The Director of Finance hereby delegates the administration of the dockless vehicle tax to the Bureau. As a result, the tax and reports required by ART. 28, § 31-4, shall be directed to the Chief of the Bureau.

3.6.43 Generally: Currently, the rules of the Department of Transportation limit the number of dockless vehicle providers to four in the City. An excise tax of 10¢ is levied and imposed on each dockless-vehicle-for-hire rental, to be collected from the users by the providers and remitted by the providers to the Bureau.

3.6.44 Timing and Filing: Providers shall remit taxes twice a year, along with a list of all service transactions during the period covered. The first transaction period shall be December 1 through May 31<sup>st</sup> and the second June 1 through November 30<sup>th</sup>. Full payment for the first period shall be remitted on or before the following July 1<sup>st</sup> and for the second period on or before the following January 1<sup>st</sup>. Payments shall be made by cash, credit or debit card, or check or money order made payable to "Director of Finance – Baltimore City." Payments shall be wired, mailed, or brought in person to the Wolman Municipal Building, 200 Holliday St., Room 3, Baltimore, Maryland 21202. No online payments will be accepted at this time. When payment is made, the provider also shall provide a digital copy of the report of all service transactions for the period reported to the Bureau and the Baltimore City Department of Transportation Dockless Vehicle Program Coordinator.

3.6.45 Records Retention: The providers shall keep all pertinent records and documents for seven years after their creation and make them available to the Bureau for inspection and copying at any time during the Bureau's normal business hours.

3.6.46 Legal References: BALTO. CITY CODE, ART. 28, SUBTITLE 31 "DOCKLESS VEHICLES" and ART. 31, SUBTITLE 38 "DOCKLESS VEHICLES."

3.6.47 Adoption: This policy becomes effective on filing with the City's Department of Legislative Reference.

Adopted and approved:

  
Henry J. Ra...

8-5-1\  
Date Adopted



Accepted and filed:

**ce%**  
Director of Legislative Reference

8/6/19  
Date filed

**Subtitle 06 PUBLIC PASSENGER VEHICLE TAX**

Administrative History

Effective Date: January 9, 2014

**RULES AND REGULATIONS PUBLIC  
PASSENGER VEHICLE TAX**

ADOPTED UNDER THE AUTHORITY OF ARTICLE 28, SECTION 24  
of the Baltimore City Code

January 9, 2014

## RULES AND REGULATIONS PUBLIC PASSENGER VEHICLE TAX

### **1.0. Background**

The City's Public Passenger Vehicle Tax is found in Section 24 of Article 28 of the Baltimore City Code. It was originally enacted *as* a tax on privately owned buses over fixed routes. In 2013, it *was* repealed and re-enacted *as* a tax on taxi cabs and limousines operating in the City of Baltimore.

These rules and Regulations are established to provide detail for implementation of the City Code and clarify its operationalization. If conflicts arise between the Rules and Regulations, and the City Code, the City Code is the authoritative source.

### **2.0. Tax is Imposed**

An excise tax is levied and imposed on every person who operates a passenger-for-hire service within, from, or to Baltimore City. A person is defined *as* an individual, a partnership, firm, association, Limited Liability Company, corporation, or other entity of any kind, a receiver, a trustee, a guardian, and personal representative, fiduciary or other representative of any kind.

In most cases this will mean the tax is levied on the taxi cab permit holder or the carrier service permit holder, in the case of limousines.

The tax is not imposed on a governmental entity, an instrumentality or unit of a government entity.

### **3.0. Tax Amount**

The amount of the tax imposed is 25 cents for each passenger being transported, for a fee, on any 1 trip between points within Baltimore City; from a point within Baltimore City to a point outside of Baltimore City; or from a point outside Baltimore City to a point within Baltimore City.

### **4.0 Exemptions**

The following entities/operators are exempt from the Public Passenger Vehicle Tax:

1. Transportation services operated by or under contract with:
  - a. A unit of the federal, State, or local government or an exempt nonprofit entity
  - b. An ambulance

- c. A funeral limousine, coach, service wagon or similar vehicle

Specifically exempt are:

(1) TRANSPORTATION SERVICES OPERATED BY OR UNDER CONTRACT WITH:  
(I) A UNIT OF FEDERAL, STATE, OR LOCAL GOVERNMENT; OR  
(II) A NONPROFIT ENTITY THAT IS EXEMPT FROM TAXATION UNDER § 501 (C) (3) OR  
§ 501 (C) (4) OF THE INTERNAL REVENUE CODE;  
(2) AN AMBULANCE THAT IS CLASSIFIED AS A CLASS C (FUNERAL AND AMBULANCE)  
VEHICLE UNDER STATE TRANSPORTATION ARTICLE § 13-914, IS OWNED OR  
OPERATED BY A LICENSED AMBULANCE SERVICE OR BY A VOLUNTEER FIRE COMPANY  
OR RESCUE SQUAD, AND IS BEING USED TO TRANSPORT AN INDIVIDUAL WHO IS SICK,  
INJURED, WOUNDED, OR OTHERWISE INCAPACITATED; OR  
(2) A FUNERAL LIMOUSINE, COACH, SERVICE WAGON, OR SIMILAR VEHICLE THAT IS  
CLASSIFIED AS A CLASS C (FUNERAL AND AMBULANCE) VEHICLE UNDER STATE  
TRANSPORTATION ARTICLE § 13-914, IS OWNED OR OPERATED BY A LICENSED  
FUNERAL ESTABLISHMENT, FUNERAL DIRECTOR, OR MORTICIAN, AND IS BEING USED  
TO  
TRANSPORT INDIVIDUALS TO, FROM, OR DURING A FUNERAL SERVICE. Article 28,  
Baltimore City Code

## **5.0. Reporting & Payment**

The operator of the passenger for hire service or an agent of the operator must remit the tax to the Finance Director on a monthly basis. A report of service transactions must accompany the report in a form specified by the Finance Director. This form is available online from the Finance Department.

### **Failure to Report**

If an operator fails to make a report, remit the tax or keep records as required, the Finance Director may attempt to obtain other available information on which to base an estimate of the tax due. Based on this information, the Finance Director may determine the amount of tax due and assess the tax including any interest and penalties that would have accrued. The Finance Director will notify the operator of the amount of tax due via mail sent to the operator's last known address. The tax is due within 10 days from the date of the notice.

### **Taxpayer Records**

The taxpayer must keep and maintain complete and accurate records of all passenger-for-hire service for a period of 3 years. The data includes a daily log of each trip including:

1. Pickup point
2. Drop-off point
3. Total fare

The taxpayer must make these records available, at all times during business hours, for inspection and audit by the Director of Finance or other authorized agent of the City. In lieu of a separate log for the City, the taxpayer may maintain logs as mandated by the Maryland Public Service Commission as long as the above information is included.

### **Where to File Report & Payment**

Checks should be made out to: **Baltimore City Finance Director**

### **And mailed to:**

Baltimore City Revenue Collection  
200 N. Holliday Street  
Baltimore, MD 21202

### **Reporting & Payment Deadline**

The report and payment must be filed before the 25th day of the month of the month following the month in which the service was provided in order to avoid interest and penalties. For example, the July monthly report and payment must be filed and payment made by August 24th.

### **Who Must Report**

The operator/owner of the passenger for-hire -vehicle must the report and payment to the City. The owner/operator may assign the reporting and payment of the tax to a third party, such as an association. The association may then report and remit the payment on behalf of each individual owner/operator. In all circumstances, however, the owner/operator will be liable for reporting and payment.

AN OPERATING GROUP OR ASSOCIATION, AS DESCRIBED IN COMAR 20.90.02.08 ("OPERATING ASSOCIATIONS"}, MAY REMIT THE TAXES, SUBMIT THE REPORTS, AND MAINTAIN THE RECORDS OTHERWISE REQUIRED BY THIS SUBTITLE FOR AND ON BEHALF OF TAXICAB SERVICE OPERATORS ASSOCIATED WITH THAT OPERATING GROUP OR ASSOCIATION. Article 28 Baltimore City Code

For example: Mr. Smith owns a vehicle that performs for-hire passenger services. Mr. Smith is responsible for ensuring the tax is paid on a monthly basis. Mr. Smith is a member of an official association which provides a tax reporting service. The Association may report and make payment for all Association sponsored vehicles that opt-in to the service. The Association may then report and make payment on behalf of the owner/operator. **If**, under any circumstance, the Association fails to pay, the owner/operator remains liable for the tax.

### **Cessation of Business Deadline**

**If** an operator sells its business or otherwise ceases to do business any tax payable becomes immediately due and payable. Both the report and full tax payment must be made within 3 days of sale or cessation of business to avoid penalties and interest.

## **6.0 Penalties**

If the report and payment are not remitted when due, the operator must pay the Finance Director in addition to the tax:

1. Interest at the rate of 1% for each month or fraction of a month that the payment is late.
2. A penalty of 10% of the amount of tax due must also be paid.

Failure to report and make payments, pay interest or penalties will result in a lien on the property of the person liable for payment.

The City Finance Department also reserves the right to report any non-payment of taxes, penalties, or interest to the State of Maryland for the purposes of preventing vehicle registration or other remedies available from the State, including the a request to the Maryland Public Service Commission for cancellation of the appropriate permit(s).

Additionally, any person found in violation of any provision of this subtitle or of a rule or regulation under this subtitle, is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000, imprisonment of not more than 12 months or both.

## **7.0 Reporting Form**





# CITY OF BALTIMORE

DEPARTMENT OF FINANCE  
BUREAU OF REVENUE COLLECTIONS  
MISCELLANEOUS TAX/LICENSE UNIT  
200 HOLLIDAY STREET  
BALTIMORE, MARYLAND 21202-3683

THIS RETURN MUST BE FILED BY THE  
25TH DAY OF THE MONTH FOLLOWING  
THE MONTH IN WHICH THE SERVICE  
WAS PROVIDED. YOU MUST FILE A  
RETURN EVEN IF NO TAX IS DUE.

MAKE CHECK OR MONEY  
ORDER PAYABLE TO  
"DIRECTOR OF FINANCE"

## PUBLIC PASSENGER VEHICLE TAX

RETURN  
FOR MONTH OF

ABC TAXI INC/XYZ CAB ASSOCIATION LLC	CITY TAX ID: X-XXX-XXX
AARON A AARDVARK 111 ANY STREET ANYWHERE MD 22222	

January

---

2013

---

YEAR

VEHICLE PERMIT NUMBER	NUMBER OF TRIPS	NUMBER OF PASSENGERS	TAX RATE	TAX
			\$ .25	\$0.00
			\$ .25	

TOTAL TAX DUE \$0.00

I DECLARE UNDER PENALTY OF PERJURY THAT THIS RETURN (INCLUDING ANY ACCOMPANYING STATEMENTS) HAS BEEN PREPARED FROM COMPANY RECORDS AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IS A TRUE, CORRECT AND COMPLETE RETURN.

INTEREST

(1% PER MONTH OR FRACTION THEREOF)

\$0.00

\$0.00

SIGNED \_\_\_\_\_ DATE \_\_\_\_\_

TITLE \_\_\_\_\_

PENALTY

(10% OF THE TAX)

\$0.00

TOTAL AMOUNT DUE

(TAX, INTEREST, AND PENALTY)

## PUBLIC PASSENGER VEHICLE TAX

RETURN  
FOR MONTH OF

ABC TAXI INC/XYZ CAB ASSOCIATION LLC	
AARON A AARDVARK 111 ANY STREET ANYWHERE MD 22222	

January

2013

YEAR

(1% PER MONTH OR FRACTION THEREOF)

PENALTY

\$0.00

(10% OF THE TAX)

TOTAL DUE

\$0.00

These rules and regulations are effective this day or January 20 2014 %ad  
have been filed with the City of Baltimore Department of Legislative Reference.

Issued and Approved:

As Beach  
Director of Finance

1/6/14  
Date

Vicki T. ...  
Law Department

January 9, 2014  
Date

[Signature]  
Legislative Reference

1/9/14  
Date

**Subtitle 07 COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE)**

Administrative History

Effective Date: April 26, 2017

**PACE Financial Servicing, LLC – [ENTER LENDER] Summary of  
Terms and Conditions of Proposed Standard Offer for  
Origination, Funding, and Administration of Commercial Property Assessed Clean Energy  
(C-PACE) Financing Transactions in City of Baltimore, Maryland**

---

**BACKGROUND**

On April 26, 2017, the Mayor and City Council of Baltimore, Maryland (the "City") entered into an agreement with the Maryland Clean Energy Center ("MCEC") in which the City selected MCEC as the initial program administrator and acknowledged PACE Financial Servicing, LLC ("PFS") as MCEC's Agent for administration of the Clean Energy Loan Program (PFS and MCEC, collectively, the "Program Administrator"). PFS hereby presents this summary (the "Standard Offer") of the primary terms and conditions for the Program Administrator and [ENTER LENDER] (the "Lender"), regarding the origination, funding, and administration of C-PACE transactions for qualifying commercial properties within the City of Baltimore, Maryland.

This Standard Offer is not, and shall not be deemed an offer, solicitation of an offer, agreement, contract, or any other legally binding obligation. It is the intent of the parties that a binding contract, agreement, or obligation between the parties and/or commitment by the Program Administrator and the Lender shall be effective only upon the execution by both parties of a C-PACE Surcharge Processing Agreement setting forth the terms of such agreement, in substantially the form attached hereto as Appendix B.

The transactions contemplated by this Standard Offer are subject to all necessary Program Administrator approvals, as directed by the Program Administrator, §§ 1-1101 et. seq. of the Local Government Article of the Maryland State Code, and Public Local Law, Article 28, §§ 30-1 et. seq. of the City of Baltimore Code.

**TRANSACTION PARTIES**

**Program Administrator:**

PFS, a Delaware limited liability company and Program Administrator of the City of Baltimore C-PACE Program. Program Administrator will administer the City of Baltimore C-PACE program. Such responsibilities include:

- I. Reviewing documents provided pursuant to Lender's or Property Owner's Application for C-PACE Financing.
2. Coordinating with the City of Baltimore in order to ensure that Surcharges (as defined below), are added to the property's real property or stand-alone tax bill.

3. Working with the Program Administrator's Servicer (as defined herein) in collecting Surcharge Installments, as defined below, and remitting such payments to Lender.

**Lender:** [ENTER NAME], [ENTER ENTITY], with offices at [ENTER ADDRESS] will provide, has secured or plans to secure the ability to fund transactions as described in this Standard Offer. The Lender is functioning as the source funding for C-PACE transactions.

**Program Administrator's Servicer:** National Real Tax Tracking (NRTT) or any designee as determined from time to time by the Program Administrator. The Program Administrator's Servicer will function as the master collection agent by collecting all Surcharge Installments, from City of Baltimore tax collector for disbursement to the Lender, or the Lender's designee(s), in accordance with the C-PACE Surcharge Processing Agreement.

**Property Owner:** The person or entity receiving C-PACE financing who is the owner of the real property.

**Jurisdiction:** City of Baltimore, Maryland

## DEFINITIONS

**The Acts** §§ 1-1 101 et. seq. of the Local Government Article of the Maryland Code (the "Act") and Public Local Law, Article 28, §§ 30-1 et. seq. of the City of Baltimore Code (the "City Code"). Collectively, the Act and City Code, shall be "the Acts".

**Application:** Application for C-PACE Financing published by the Program Administrator, as may be later amended, found on [www.md-pace.com/baltimorecity](http://www.md-pace.com/baltimorecity) or in the C-PACE Program Guidelines and attached hereto as Appendix E. To be completed for each Eligible Project by a Property Owner or Lender.

**Approved Project:** An Eligible Project (as defined below) for which a Completed Application has been submitted and the Program Administrator has approved.

<b>Clean Energy Financing Agreement:</b>	The financing agreement entered into between the Lender and a Property Owner to fund the Approved Project. Such agreement must include a Surcharge Payment Schedule.
<b>Closed Project:</b>	An Approved Project for which the Lender and the Property Owner have entered into a Clean Energy Financing Agreement.
<b>Completed Application:</b>	An Application, which includes all associated documents, described in the Project Approval Checklist (Appendix A to this Standard Offer).
<b>C-PACE Surcharge Processing Agreement:</b>	The agreement between a Lender and the Program Administrator describing the rights and obligations of each party in relation to the processing and management of each Closed Project.
<b>Eligibility Criteria:</b>	The Eligibility Criteria are defined in the Acts and summarized in the Program Guidelines.
<b>Eligible Project:</b>	Qualifying energy efficiency, water conservation, and renewable energy projects, as described in the Acts, which conform to Eligibility Criteria and to the Program Guidelines.
<b>Notice to City of Baltimore to Commence Levy and Collection of Surcharges for PACE Program</b>	A formal executed Notice to the City of Baltimore to Commence Levy and Collection of Surcharges for PACE Program, in the form of Exhibit B of the Master C-PACE Surcharge Processing Agreement.
<b>Program Guidelines</b>	The C-PACE Program Guidelines, which establish and describe the rules governing the City of Baltimore C-p ACE program. The Program Guidelines are published by the Program Administrator, and may be amended from time to time, as found on <a href="http://www.md•pace.com">www.md•pace.com</a> .
<b>Risk Disclosure</b>	Lender and PFS Disclosure of Risks, substantially in the form of Appendix C to this Standard Offer.
<b>Statement of Levy and Lien of Surcharge Agreement</b>	An Agreement to be recorded on the applicable property records for the Project, substantially in the form attached hereto as Exhibit A to the C-PACE Surcharge Processing Agreement, which shall be executed by the Lender, Property Owner and the City. This Agreement is referred to as the Notice of

**Surcharge**

Surcharge Levy in the City Code.

The Surcharge will appear on a Property Owner's real property or stand-alone tax bill, which may be billed annually or bi-annually, as determined by State law. The Surcharge will be equal to the annual payment amount due of the principal amount of the Surcharge with interest thereon at the contracted rate plus any additional fees and expenses pursuant to the Clean Energy Financing Agreement as described below with equal installments of principal and interest required to fully amortize the assessment over the Surcharge term.

Pursuant to §30-8(1) of the City Code, if Surcharges are delinquent, the delinquent Surcharge becomes a tax lien and collectible through the tax sale process authorized under Tax-Property Article, Title 14, Subtitle 8 of the State Code ("Annotated Code").

The Surcharge is subject to the consent of existing mortgage holders (in the form of Appendix D to this Standard Offer) and will not accelerate upon sale or transfer of the property.

**Surcharge Installment**

The annual or semi-annual payment amount of the Surcharge as listed on the Surcharge Payment Schedule.

**Surcharge Payment Schedule**

A schedule of all Surcharge Installments under the Statement of Levy and Lien of Surcharge Agreement or, if applicable, the most recent Amendment of Surcharge and Payment Schedule filed in the land records.

**Tax Sale Process:**

The City's tax sale information and procedures can be found on the website here:

<http://taxsale.baltimorecity.gov/>

**Undervriting Guidelines:**

Lender must give due regard to the Property Owner's ability to repay the Surcharge in a manner substantially similar to that required for a mortgage loan under Sections 12-127, 12-311, 12-409.1, 12-925, and 12-1029 of 149 the Commercial Law Article of the Maryland Code.

**PROCESS OUTLINE FOR THIS STANDARD OFFER**



The outline of the origination, funding, and administration relationship between the Program Administrator, Lender, and Property Owner is as follows:

1. Lender or Property Owner submits a Completed Application.
2. Program Administrator will review such documentation and confirm that the Completed Application meets the requirements of the Acts, Eligibility Criteria, Program Guidelines, this Standard Offer, and any documentation thereunder. Upon completion of such review, Program Administrator will notify the Property Owner of whether the Application has been approved, in which case the project shall be an Approved Project.
3. Lender and Property Owner enter into a Clean Energy Financing Agreement and the Approved Project becomes a Closed Project. Prior to entering into the Clean Energy Financing Agreement with the Property Owner, Program Administrator will, in its reasonable discretion, approve of Lender's Clean Energy Financing Agreement template. Such Clean Energy Financing Agreement must contain terms and documentation consistent with this Standard Offer, the C-PACE Surcharge Processing Agreement, and the Acts. Such Clean Energy Financing Agreement shall be secured by a Surcharge.
4. Lender enters into a C-PACE Surcharge Processing Agreement (Appendix B to this Standard Offer) with Program Administrator for the Closed Project to ensure processing of Lender's Closed Project.
5. The City, the Lender and the Property Owner enter into a Statement of Levy and Lien of Surcharge Agreement (Exhibit A of the C-PACE Surcharge Processing Agreement) that the City then files on the property records of the applicable property at the expense of the Property Owner.
6. The Program Administrator will send the Notice to City of Baltimore to Commence Levy and Collection of Surcharges (Exhibit B of the C-PACE Surcharge Processing Agreement) to City of Baltimore with a request to the City by May 1 to add the Surcharge to the real property or stand-alone tax bill.
7. The City shall add the Surcharge to the real property or stand-alone tax bill in accordance with the agreed-upon Surcharge Payment Schedule
8. The Program Administrator, along with the Program Administrator's Servicer, will work with City of Baltimore to collect any Surcharge Installments received pursuant to the Surcharge and remit such Surcharge Installments to the Lender.

## **PROGRAM ADMINISTRATOR COSTS**

### **Program Administrator Costs:**

Program Administrator's costs under this Standard Offer, shall be as follows:

APPLICATION FEE: \$150 upfront application fee.

CLOSING FEE: 1.05% closing fee calculated as a

percentage of the Project Cost.

**SERVICING FEE:** an annual fee of 16 basis points (0.16%) calculated on the outstanding principal balance through the assessment period.

**RECORDING EXPENSE:** the expense, if any, for recording the Statement of Levy and Lien of Surcharge Agreement and any amendments thereto, on the property records for the applicable property.

**Note:** The City of Baltimore reserves the right to include a City collection and processing fee that will be included in the annual property tax surcharge.

**LENDER'S FUNDING PROGRAM**

**Lender's Funding:**

*(Faint, illegible text)*

The Lender may provide, up to one hundred percent (100%) of the Surcharge including any fees upon the closing date of each Clean Energy Financing Agreement and drawdown by the Property Owner, subject to the individual Clean Energy Financing Agreement between the Property Owner and the Lender.

**Conditions of Lender's Funding:**

*(Faint, illegible text)*

The following conditions will be met before Lender provides any Lender funding:

1. Verification that the C-PACE project has been approved by the Program Administrator.
2. A Clean Energy Financing Agreement has been signed by the Property Owner and Lender.
3. Signed service agreement or construction contract between Property Owner and energy service provider.

**Lender's Rate:**

*(Faint, illegible text)*

Interest rates for the Lender's funding will be determined by the Lender.

**Term:**

*(Faint, illegible text)*

The term of the Surcharge shall not exceed twenty years.

**Closing Fees:**

*(Faint, illegible text)*

The Lender is able to charge closing fees (at Lender's discretion) to the Property Owner.

**Prepayment:**

Lender may charge a prepayment penalty at its discretion.

**Partial Payment:**

Partial payments of the Surcharge will be accepted.

**Amendment:**

Any amendments to the Surcharge Payment Schedule which may need to be implemented pursuant to the Clean Energy Financing Agreement and C-PACE Surcharge Processing Agreement must be provided to the Program Administrator no later than April 25" of the year in which the next payment is due. Any such amendments shall be submitted to the Program Administrator using the Amendment of Surcharge and Payment Schedule in the form of Exhibit C to the Surcharge Processing Agreement.

**Collections, Repayment and Amortization Schedule:**

Payments due pursuant to the Surcharge shall be due in accordance with the Surcharge Payment Schedule attached to the Statement of Levy and Lien of Surcharge Agreement, such payment schedule shall align with the property tax billing cycle of the City.

Pursuant to §30-8(F) of the City Code, the City shall forward the Surcharges received to the Program Administrator no later than forty-five (45) days after the last day of the month in which the amounts are collected by the City.

Payments from the Program Administrator's Servicer (subject to receipt from the City) will be remitted to Lender no later than five (5) business days after receipt of any such payments.

**Exclusivity:**

For any Completed Application submitted by a Lender, the Program Administrator shall not share information about the Eligible Project, the Property Owner, or the Application with any other C-PACE Lender for a period of six (6) months (measured from the date of the submission of a Completed Application). This section does not apply if (1) the same Property Owner requests financing for a materially different Eligible Project; (2) the Lender fails to submit a Completed Application for an Eligible Project to receive Program Administrator's Approval within in a commercially reasonable time; or (3) the Property Owner provides written authorization to the Program Administrator.

**Termination Events:**

This Standard Offer shall terminate upon the occurrence of any of the following:

1. A final, non-appealable judgment by a court of competent jurisdiction that the Surcharges are not valid and enforceable under Maryland law, or any unstayed injunctive relief, the effect of which would be to prevent servicing or collection of any Surcharges.
2. The dissolution of the Lender by insolvency, bankruptcy, failure to maintain applicable licenses, or any other valid reason.
3. A breach of any Covenant (as set forth below) by the Program Administrator or Lender (subject to applicable cure).
4. A material adverse change in (a) the business, properties, operations, prospects, or condition (financial or otherwise) of the Program Administrator or Lender, taken as a whole, or (b) the ability of the Program Administrator to perform, or to enforce, any obligations.

With respect to a particular Approved Project:

- a. Program Administrator may terminate its approval of such Approved Project upon the occurrence of the events described in clause 1, 2, 3 or 4 (with respect to Lender).
- b. Lender may terminate its obligation to participate in such Approved Project upon the occurrence of the events described in clause 1, 3 or 4 (with respect to Program Administrator).
- c. Upon receipt of notice from the other party, either Lender or Program Administrator may terminate the Approved Project prior to the execution of a Clean Energy Financing Agreement if, in its reasonable determination, the terminating party believes negotiation of the Clean Energy Financing Agreement cannot be accomplished in good faith.

Upon the occurrence of a Termination Event, each party shall be obligated to pay its own costs incurred by such party prior to the termination.

Notwithstanding any termination of this Standard

Offer or any Approved Project, Lender and the Program Administrator shall continue to be bound by their respective obligations with respect to any existing Closed Projects and the terms of this Standard Offer shall survive with respect to such Closed Projects.

**Representations:**

The Program Administrator shall provide representations to the Lender that shall include but are not limited to:

1. Each Surcharge is a legal, valid, and binding obligation and enforceable in accordance with provisions of Maryland law.
2. No Eligibility Criteria have been waived, altered, or modified in any respect, except as approved by the City.

The Lender shall represent that any Eligible Projects will be submitted to the Program Administrator in good faith and with a willingness to fund, subject to Eligibility Criteria, Program Guidelines, C-PACE Surcharge Processing Agreement, Underwriting Guidelines (if applicable), and this Standard Offer.

**Covenants:**

Key Covenants of the Program Administrator and the Lender include, but are not limited to:

1. Continuation as a legal entity.
2. Compliance with applicable laws.
3. Compliance with the terms of all transaction documents.
4. Compliance with reporting requirements.
5. Provision of all reasonably necessary assistance for the Program Administrator's Servicer to perform its functions in a commercially reasonable manner.
6. Use of all reasonable means to resolve disputes with the Property Owner, contractors, vendors, or public officials in favor of full and timely payment to the Lender and Program Administrator.

**Account Remediation:**

Pursuant to §30-8(1) of the City Code, if a Surcharge is delinquent, the delinquent Surcharge becomes a tax lien and collectible through the tax sale process authorized under Tax-Property Article, Title 14, Subtitle 8 of the State Code.

**Documentation:**

This Standard Offer is subject to mutually agreeable final documentation, including but not limited to:

- I. Satisfactory legal opinions if requested by the Program Administrator.
2. Completion of due diligence.
3. Satisfactory legal documentation, including the C• PACE Surcharge Processing Agreement.

**[Remainder of the page intentionally blank]**

**PACE FINANCIAL SERVICING, LLC**

**Signature** \_\_\_\_\_

**Name:** Genevieve Sherman

**Title:** Managing Director

**Date:**

[ENTER LENDER]

**Signature** \_\_\_\_\_

**Name:**

**Title:**

**Date:**

[CC: PROPERTY OWNER]



## Appendix A

### City of Baltimore C-PACE Project Approval Checklist

PROJECT INFORMATION	
Lender:	
Property Address:	
Property ID Number:	
Telephone Number:	
Fax Number:	
Email Address:	
<b>Property Owner:</b>	

CHECKLIST		
<input type="checkbox"/>	Application for C-PACE Financing	Submit to Program Administrator
<input type="checkbox"/>	\$150 Application Fee	Check addressed to "PACE Financial Servicing, LLC"
<input type="checkbox"/>	Project Scoping Documents	Energy audit, project scope and/or feasibility study
<input type="checkbox"/>	Disclosure of Risk Form	Share with owners and return signed copy to Program Administrator
<input type="checkbox"/>	Title Search Report	Within the last 60 days
<input type="checkbox"/>	Mortgage Lender Consent Form	If applicable
<input type="checkbox"/>	Documentation of Mortgage Release	If applicable
<input type="checkbox"/>	Signed Affidavit	Should state: Property owner agrees that prior to the date on which this C-PACE financing closes, it shall not place any additional mortgage, lien, or encumbrance on the property other than any encumbrances that have been previously disclosed to the Program Administrator.
<input type="checkbox"/>	Property Tax Account Assessment Roll, or Current Market Value/Appraisal	Can be obtained through the Maryland State Department of Assessment and Taxation (SDAT)
<input type="checkbox"/>	Document that verifies owner is current on their property taxes	Can be obtaining through the City of Baltimore Department of Finance.

## Appendix B

### C-PACE SURCHARGE PROCESSING AGREEMENT

THIS C-PACE SURCHARGE PROCESSING AGREEMENT ("**Agreement**") is made as of the — day of \_\_\_\_\_, 2017, by and between PACE Financial Servicing, LLC having an address at [ADDRESS] ("**Program Administrator**") and \_\_\_\_\_ having an address at [ADDRESS] ("**Lender**").

#### BACKGROUND

1. The State of Maryland has authorized counties and municipalities to enact legislation or resolutions establishing property assessed clean energy programs under §§ 1-1101 et. seq. of the Local Government Article of the Maryland Code, as amended (the "**Act**")

2. Pursuant to the Act, the City of Baltimore established a Property Assessed Clean Energy loan program for commercial properties (the "**Program**") under Public Local Law, Article 28 §§30-1 et. seq. of the City of Baltimore Code (the "**City Code**"), together with the Act, the "Acts."

3. [Borrower legal name] (the "**Property Owner**") owns real property located in the City of Baltimore, Maryland known as [Address] and more particularly described in the hereto attached Exhibit D (the "**Property**"). In accordance with the requirements of the Acts, the Property Owner proposes to improve the Property through energy efficiency projects, water conservation projects, or renewable energy projects servicing the Property (the "**Project**") and has applied to the Program Administrator and the Lender for financing the Project through a Clean Energy Financing Agreement (the "**Clean Energy Financing Agreement**") that will be secured by a surcharge (the "**Surcharge**") which when due and unpaid shall constitute a lien on the Property.

4. The Maryland Clean Energy Center ("**MCEC**") has entered into an agreement with the Mayor and City Council of Baltimore, Maryland (the "**City**") dated April 26, 2017 (the "**City Clean Energy Agreement**"), in which the City selected MCEC as the initial program administrator and acknowledged PACE Financial Servicing, LLC as MCEC's Agent for administration of the Program.

5. Pursuant to the City Clean Energy Agreement, the City will add the Surcharge to the real property or stand-alone tax bill upon receipt of a Notice to City of Baltimore to Commence Levy and Collection of Surcharges for PACE Program ("**Notice to Commence Levy**"), attached hereto materially in the form of Exhibit B.

6. The Lender has entered into the Clean Energy Financing Agreement with the Property Owner pursuant to which the Lender will advance funds for the Project for the benefit of the Property Owner.

7. The Property Owner and Lender have obtained consent to the Surcharge from all existing mortgage and deed of trust holder(s) ("**Mortgage Holders**").

NOW, THEREFORE, the parties do hereby agree as follows:

**1. Notice and Amendment of Surcharge.**

(a) Within three (3) Business Days (as defined in Section 7) after the execution of this Agreement and the delivery of the documents described in Section 4 hereof, the Program Administrator will submit to the City the (i) Statement of Levy and Lien Agreement (the "**Statement of Levy and Lien Agreement**"), attached hereto materially in the form of Exhibit A, to be recorded in the Land Records of the City of Baltimore, Maryland, and such Statement of Levy and Lien Agreement shall include a schedule of all Surcharges under the Clean Energy Financing Agreement (the "**Surcharge Payment Schedule**"), and (ii) the Notice to Commence Levy. The principal of the Surcharge (inclusive of any financed closing costs or fees) will be [Amount] and xx/100 Dollars (\$[#]), the interest rate will be [Interest Rate] percent ([#]%) per annum and the term will be [Term]([#]) years, as reflected in the Surcharge Payment Schedule.

(b) The Program Administrator must notify the City Department of Finance of the amount of the Surcharge no later than May 1 of each year. The Program Administrator shall assume the Surcharge amount specified in the Surcharge Payment Schedule is accurate and use that amount when notifying the City unless the Program Administrator has forwarded an Amendment of Surcharge and Payment Schedule to the City in which case the Program Administrator shall assume the Surcharge amount specified in the Amendment of Surcharge and Payment Schedule is accurate and use that amount when notifying the City.

(c) The Lender may only amend the Surcharge Payment Schedule in accordance with the terms of the Statement of Levy and Lien Agreement and the Clean Energy Financing Agreement. Any such amendments shall be submitted by the Lender to the Program Administrator using the Amendment of Surcharge and Payment Schedule, attached hereto materially in the form of Exhibit C. Upon receipt, the Program Administrator shall forward the Amendment of Surcharge and Payment Schedule to the City, and the City shall amend the Surcharge to reflect the adjustment and file the Amendment of Surcharge and Payment Schedule in the land records of the City of Baltimore. The Program Administrator shall provide to Lender finalized copies of the Amendment of Surcharge and Payment Schedule. Any Amendment of Surcharge and Payment Schedule must be provided to the Program Administrator no later than April 25" of the year in which the next payment is due.

(d) The Surcharge will accrue interest and penalties and will be treated and collected in the same manner as real property taxes in the City. Any delinquency will be collected through the City tax sale process. The provisions of Title 14, Subtitle 8 of the Tax - Property Article of the Maryland Code and Public Local Law, Article 28, §§ 30-1 et seq. of the City of Baltimore Code that apply to a tax lien will also apply to an any delinquent Surcharge. Any delinquent Surcharge collected through the City tax sale process must be forwarded to the Program

Administrator no later than forty-five (45) days after the last day of the month in which the Surcharge amounts are collected.

**2. Program Administrator' Warranties and Representations; Disclaimer.**

(a) Warranties and Representations. The Program Administrator hereby warrants and represents that:

(i) Program Administrator is a Delaware limited liability company; and has full power and authority to enter into this Agreement and to carry out the terms and conditions contained herein;

(ii) No approval of or consent from, any governmental authority is required for the execution, delivery or performance by Program Administrator of this Agreement, other than as obtained through that certain Clean Energy Agreement entered into by and between the Program Administrator and the City dated April 26, 2017 (the "City Clean Energy Agreement"); and

(iii) the execution, delivery and performance by Program Administrator of this Agreement and the transactions contemplated hereby (A) do not contravene any provisions of law applicable to Program Administrator, and (B) do not conflict and are not inconsistent with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, lease, guarantee or other instrument to which Program Administrator is a party, by which Program Administrator may be bound, to which Program Administrator or its property may be subject, the Acts or Program Administrator's operating agreement.

(iv) This Agreement, the Surcharge, the Statement of Levy and Lien of Surcharge Agreement, the Notice to Commence Levy, and the Program Administrator's role hereunder comply with the Acts. In the event of a conflict between this Agreement and the Acts, the Acts shall govern.

(b) Disclaimer. Program Administrator has not heretofore made, nor does it make by this Agreement, any representations or warranties with respect to the Property, including any warranty of title or any environmental matters, and Program Administrator makes no representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition, or statements of the Property Owner, or with respect to the performance or observance by the Property Owner of their obligations under the Clean Energy Financing Agreement, after the date of execution of this Agreement.

**3. Lender's Warranties and Representations.**

With respect to this Agreement, Lender hereby warrants and represents that effective on the date on which Lender executes this Agreement:

(a) (i) Lender (A) is an entity (corporation, limited liability company, partnership) duly incorporated or organized, validly existing, and in good standing under the laws of its state of incorporation or organization, and (B) has full power, and all licenses necessary, to own its properties to carry on its business as now being conducted and has full power to enter into this Agreement and to carry out the terms and conditions contained herein; and (ii) the execution of this Agreement on its behalf and its participation in the transaction specified herein and therein is in its ordinary course of business and within the scope of its existing authority pursuant to its organizational documents;

(b) there is no action, suit, or proceeding pending or threatened against Lender before or by any court, administrative agency, or other governmental authority which brings into question the validity of, or might in any way impair, the execution, delivery or performance by Lender of this Agreement;

(c) no approval of, or consent from, any governmental authority is required for the execution, delivery, or performance by Lender of this Agreement;

(d) the execution, delivery, and performance by Lender of this Agreement and the performance by Lender hereunder and the transactions contemplated hereby, (i) do not contravene any provisions of law applicable to Lender, and (ii) do not conflict and are not inconsistent with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, lease, guarantee or other instrument to which Lender is a party, by which Lender may be bound, to which Lender or its property may be subject, or Lender's charter or bylaws;

(e) this Agreement constitutes the legal, valid and binding obligation of Lender, enforceable against Lender in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, and by applicable laws (including any applicable common law and equity) and judicial decisions which may affect the remedies provided herein;

(f) Lender has independently and without reliance upon the Program Administrator conducted its own credit evaluation of the Property Owner, reviewed such information as it has deemed adequate and appropriate and made its own analysis of the Financing Agreement;

(g) Lender has, as part of its underwriting process, given due regard to the Property Owner's ability to repay the loan provided under the program, in a manner substantially similar to that required for a mortgage loan under §§ 12-127, 12-311, 12-409.1, 12-925, and 12-1029 of the Commercial Law Article of the Maryland State Code.

(h) Lender has not relied upon any investigation or analysis conducted by, advice or communication from, nor any warranty or representation by, the Program Administrator or any agent or employee of the Program Administrator, express or implied, concerning the financial condition of the Property Owner, or the tax or economic benefits of an investment in the Clean Energy Financing Agreement;

(i) Lender has had (or acknowledges by its execution of this Agreement, that Lender will prior thereto have had) access to all financial and other information that it deems necessary to evaluate the merits and risks of an investment in the Clean Energy Financing Agreement including the opportunity to ask questions, receive answers and obtain additional information from the Program Administrator and the Property Owner necessary to verify the accuracy of information provided;

(j) Lender acknowledges that the Program Administrator takes no responsibility for any financial information regarding the Property Owner furnished to Lender by the Program Administrator, and Lender or its authorized representatives acting on its behalf have such knowledge and experience in business and financial matters necessary to evaluate the merits and risks of an investment in the Financing Agreement;

(k) Lender is experienced in making investments in energy upgrade projects similar to the Project and the Clean Energy Financing Agreement and that it is financially able to undertake the risks involved in such an investment; and

(l) Lender acknowledges that the Clean Energy Financing Agreement as well as any other documents signed by the Property Owner and required by the Program Administrator in connection with this Agreement were executed by a duly authorized signatory of the Property Owner.

#### **4. Delivery of Documents.**

(a) As a condition to the Program Administrator's performance of its obligations with respect to this Agreement, all of the conditions precedent enumerated below must be satisfied (in the Program Administrator's reasonable discretion):

(i) Lender shall have delivered to the Program Administrator all of the following, in form and substance reasonably satisfactory to the Program Administrator: (A) certified true and correct photocopies of the duly executed Clean Energy Financing Agreement; (B) a certified true and correct photocopy or pdf scan of this Agreement duly executed by Lender; (C) executed consents from any Mortgage Holders on the Property; (D) a risk disclosure form executed by the Property Owner; (E) an energy audit and/or feasibility study; (F) proof that the Property Owner has 100% ownership interest in the Property for which the improvements are proposed; (G) an original of the Statement of Levy and Lien Agreement duly executed by the Property Owner and Lender; and (H) all other documents or information necessary to demonstrate compliance with all other eligibility requirements in 830-5 and §30-6 of the City Code and the Program Guidelines.

(b) As a condition to Lender's performance of its obligations with respect to this Agreement, all of the conditions precedent enumerated below must be satisfied (in Lender's reasonable discretion):



(C) The Program Administrator shall have delivered to Lender all of the following, in form and substance reasonably satisfactory to Lender: (A) a certified true and correct photocopy or pdf scan of the Statement of Levy and Lien Agreement duly executed by the City, and (B) a certified true and correct photocopy or pdf scan of this Agreement duly executed by the Program Administrator.

(c) All of Lender's and the Program Administrator's respective representations and warranties provided herein or in any of the Clean Energy Financing Agreement shall be true and correct on the date of the execution of this Agreement.

## **5. Covenant.**

(a) No Action. The Program Administrator shall not, without the prior written consent of the Lender, take any action which impairs the rights of the Lender (or its assignee or successor) with respect to the Clean Energy Financing Agreement in and to which the Program Administrator has no right, title or interest. Under no circumstances may the Lender file Uniform Commercial Code financing statements against the Program Administrator in connection with any of the transactions contemplated hereunder.

## **6. Tax and Indemnities.**

(a) Charges. Lender shall pay any and all sales or use taxes or similar taxes, if any, that may be imposed by any federal, state or local government authority on any remittances made by the Program Administrator to the Lender pursuant to this Agreement.

(b) Taxes. With respect to this Agreement, Lender shall be solely responsible for, and shall indemnify, protect, defend, save, and keep harmless, the Program Administrator and each of its affiliates, and their respective officers, directors, employees, and agents (each a "Program Administrator Indemnitee") from and against any and all federal, state, and local taxes, in each such case, to the extent any of the same are attributable to or otherwise assessed with respect to the period subsequent to the effective date of this Agreement, together with any assessments, penalties, fines additions to tax or interest related thereto, which at any time or from time to time may be imposed on, or asserted against, the Property (or any part thereof or any interest therein) or any Program Administrator Indemnitee, by any federal, state, local, or foreign government or taxing authority in connection with or relating to the Clean Energy Financing Agreement or any of the transactions contemplated hereby and thereby. Notwithstanding the above, Lender is not responsible for nor shall it indemnify, protect, defend, save, and keep harmless, the Program Administrator and each of its affiliates, and their respective officers, directors, employees, and agents from and against any and all taxes, penalties, or fines related to the Program Administrator costs detailed in Section 9 hereof.

(c) Notice of Claims. The Program Administrator agrees to notify Lender promptly after becoming aware of any taxes or claims, whether pending or threatened that is the subject of indemnification pursuant to this Section 6; provided, however, that the failure by the Program Administrator to so notify the Lender will not in any manner affect Lender's obligations under

this Section 6, except to the extent, if any, Lender shall have been materially and adversely prejudiced by such failure.

7. **Duties and Limitations.**

(a) Program Administrator's and Lender's Duties. It is the intent and purpose of the parties that the City shall bill for, collect and receive for the benefit of Lender the sums payable under the Clean Energy Financing Agreement and the Surcharge. Unless the Program Administrator indicates in writing to Lender, Lender shall be responsible for all other servicing duties pursuant to the Clean Energy Financing Agreement, such as, if applicable, obtaining insurance renewals and financial statements from the Property Owner and arranging for Property inspections. The Program Administrator shall promptly deliver to Lender all notices, demands and similar items received by it relating to the Clean Energy Financing Agreement.

(i) Any delinquent Surcharges and any accrued interest and penalties will be collected through the City tax sale process. The provisions of Title 14, Subtitle 8 of the Tax Property Article of the Maryland Code that apply to a tax lien will also apply to any delinquent Surcharges.

(ii) If either party has actual knowledge of an event of default under the Clean Energy Loan Financing Agreement ("**Event of Default**"), it shall promptly notify the other party thereof.

(b) Payments. All monies received by the Program Administrator on the Clean Energy Financing Agreement shall be held by the Program Administrator, or its designee, for the benefit of the Lender for the purpose for which they were paid, but need not be segregated in any manner from any other monies of the Program Administrator and may be deposited by the Program Administrator, or its designated servicer, in any general account maintained by the Program Administrator or, its designee, (the "**Collection Account**"). The Program Administrator, or its designee, shall pay all moneys from Collection Account due from the Property Owner under the Clean Energy Financing Agreement within five (5) Business Days of receipt of such good funds in the Collection Account (each such date, a "**Payment Date**"), provided that the Program Administrator, or its designee, has collected payment in good funds from the Property Owner or the City, such as a received wire or cleared check. As used herein, "**Business Day**" shall be deemed to mean any day other than a Saturday, Sunday or holiday in which the Program Administrator or Lender is closed in Maryland. Notwithstanding the foregoing, if the applicable Payment Date is not a Business Day, then the Payment Date shall be deemed to be the next Business Day. The Program Administrator, or its designee, shall make such monies available to Lender by wire transfer of such monies to Lender at such account as Lender may specify in writing from time to time. If the Program Administrator, or its designee, fails to make such payment (or any part thereof) to Lender within five (5) Business Days of such Payment Date, the Program Administrator shall pay Lender one percent (1%) interest per month on, and in addition to, the amount of such payment (or any part thereof) but not exceeding the lawful maximum, if any.



(c) Limitations of Liability. The Program Administrator undertakes to perform such duties and only such duties as are specifically set forth herein and no implied covenants or obligations shall be read into this Agreement against the Program Administrator. In performing its obligations hereunder, the Program Administrator shall use the same level of care as it uses for transactions in which it holds the entire interest for its own account, but shall not be liable to Lender for any action taken or omitted to be taken by it hereunder or pursuant hereto, except for the Program Administrator's failure to make sums available to Lender as required under this Agreement or for the Program Administrator's gross negligence or willful misconduct. The duties of the Program Administrator shall be mechanical and administrative in nature and the Program Administrator shall not have by reason of this Agreement a fiduciary relationship with Lender. The Program Administrator shall not be required to take any action if the Program Administrator shall have been advised by counsel that such action is contrary to law, the provisions of this Agreement or the provisions of the Clean Energy Financing Agreement. As to any matters not expressly provided for by this Agreement, the Program Administrator shall not be required to exercise any discretion or take any action and in case of any question concerning its rights and duties hereunder, the Program Administrator may request written instructions from Lender and refrain from taking action until it receives written instructions from Lender. The Program Administrator shall be fully protected and have no liability to any person for acting or refraining from acting hereunder in accordance with the written instructions of Lender. The Program Administrator shall, in the absence of knowledge to the contrary, be entitled to rely on any written instructions believed in good faith to be genuine and correct and to have been signed by an officer of Lender.

**8. Titling.**

(a) Holder of Surcharge. The Clean Energy Financing Agreement shall provide that the City is the original holder of the Surcharge and that pursuant to §30-8(1) of the City Code, if the Surcharge becomes delinquent, the delinquent Surcharge and any accrued interest and penalties will automatically become a tax lien and be collected through the resulting tax sale process.

**9. Program Administrator Costs.**

(a) Program Administrator charges and Lender shall pay or cause to be paid the following fixed administration and servicing fees for the term of the Surcharge:

APPUCATION FEE: \$150 upfront application fee.

CLOSING FEE: 1.05% closing fee calculated as a percentage of the Project Cost.

SERVICING FEE: an annual fee of 16 basis points (0.16%) calculated on the outstanding principal balance through the assessment period.

RECORDING EXPENSE: Dependent on the Surcharge amount, the recording fee charged by the City to record the Statement of Levy and Lien Agreement and any amendments thereto.

(b) No provisions of this Agreement shall require the Program Administrator (i) to expend or risk its own funds except as necessary in the ordinary course of business as the City Program Administrator or to perform its obligations under this Agreement or (ii) to otherwise incur any financial liability in the performance of any of its duties hereunder. Any expenses incurred by the Program Administrator in connection with any actions with respect to this Agreement to which Lender has requested shall be borne by Lender and Lender shall reimburse the Program Administrator for any such out-of-pocket costs and expenses incurred by the Program Administrator.

## **10. Indemnity.**

(a) Lender agrees to indemnify, defend, and hold harmless the Program Administrator and any of its directors, officers, employees or agents, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgment, suits, costs, expenses, taxes or disbursements of any kind or nature whatever (including attorneys' fees) which may be imposed on, incurred by or asserted against any of them in any way relating to or arising out of any action taken or omitted by either or any of them pursuant to a breach by Lender of this Agreement, to the extent not reimbursed by the Property Owner, provided that Lender shall not be liable to the Program Administrator for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgment, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Program Administrator or any of its directors, officers, employees or agents; and

(b) The Program Administrator shall indemnify, defend, and hold harmless Lender, its successors and assigns, and all of its directors, officers, employees, or agents, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgment, suits, costs, expenses, or disbursements of any kind or nature whatever (including attorneys' fees) which may be imposed on, incurred by or asserted against any of them in any way arising out of or resulting from a breach by the Program Administrator of this Agreement or the gross negligence or willful misconduct of the Program Administrator or any of its directors, officers, employees or agents.

## **11. Miscellaneous.**

(a) **Assignment; Termination.** Except as provided in this Agreement, neither party may assign or delegate its respective rights or obligations hereunder without the prior written consent of the other party which consent shall not be unreasonably withheld, provided that Lender may assign this Agreement upon notice to the Program Administrator. Subject to the foregoing, this Agreement inures to the benefit of, and is binding upon, the successors and permitted assigns of the parties hereto. Notwithstanding the foregoing, (i) in the event the City Clean Energy Agreement expires or terminates, this Agreement shall be deemed automatically assigned to a successor program administrator who agrees to assume all of Program Administrator's obligations and liabilities hereunder or (ii) in the event no successor is named or no successor agrees to assume the obligations and liabilities hereunder, this Agreement shall automatically terminate.

**Subtitle 08 ENERGY TAX**

Administrative History

Effective Date: July 13, 2004

Contact: Collections Division  
410-361-9690

CITY OF BALTIMORE ENERGY TAX

RULES AND REGULATIONS

ADOPTED UNDER THE AUTHORITY OF SUBTITLE 25, OF ARTICLE 28  
Of the Baltimore City Code as last amended by Ordinance 04-728  
Approved June 23, 2004

Operators shall retain in their files at their principal business or if not located in Baltimore City some other convenient location within the City of Baltimore, duplicate copies of monthly tax payment forms along with records and information in support of all monthly payments. All such supporting information shall be retained by the operator for the same period as is required for Federal Tax purposes.

Monthly payment forms shall be filed for each account. The monthly payment forms shall be completed in their entirety and filed on or before the 25<sup>th</sup> day of each month.

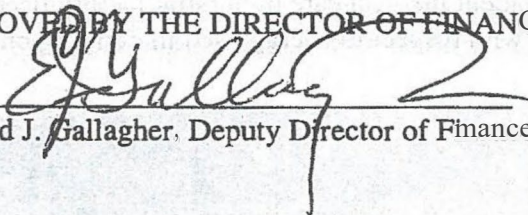
On or before February 1<sup>st</sup> of each year, each person, firm or corporation that delivers energy shall certify to the Director of Finance the aggregate amount of revenues and units sold by class of customer for the preceding calendar year, on the forms and in the manner required by the Director.

The monthly tax returns as well as the annual certification of revenues and units sold shall be signed by the owner, officer, partner, or authorized representative of the operating entity as to the correctness and accuracy of the return.

Any person, who violates any provision of this subtitle or of a Rule and Regulation adopted under this subtitle or who makes any false statement or improper return is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000.00 or to imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

These regulations have been approved this 13<sup>th</sup> day of the month of July, 2004 and submitted to the Department of Legislative Reference pursuant to the provision of Section 25-21 (b) of Ordinance No. 04-728.

APPROVED BY THE DIRECTOR OF FINANCE:

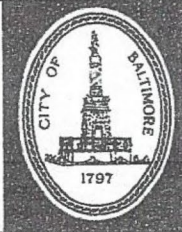
  
Edward J. Gallagher, Deputy Director of Finance

7/13/04  
T ble



CITY OF BALTIMORE

MARTIN O'MALLEY, Mayor



DEPARTMENT OF FINANCE

BUREAU OF TREASURY MANAGEMENT  
Room 7, Abel Wolman Municipal Building  
200 Holliday Street  
Baltimore, Maryland 21202

## FACT SHEET FOR ENERGY TAX ON FUEL OIL AND LPG

On June 23, 2004 the City of Baltimore enacted a law expanding its local energy tax. The provisions of the law are as follows.

### ENERGY DESCRIPTION

"Energy" means artificial or natural gas, electricity, coal, fuel oil, liquefied petroleum gas (LPG), or steam delivered for consumption in Baltimore City.

### TAX IMPOSED

The law imposes a tax on energy delivered for use in Baltimore City to all users in the City except for governmental entities.

### CERTIFICATION OF REVENUES AND UNITS

On or before February 1<sup>st</sup> of each year, each person that delivers energy shall certify to the City's Director of Finance, on the form entitled "Certification of Revenues and Units:"

- 1) the aggregate units of energy supplied and delivered to all classes of users during the prior calendar year, whether subject to or exempt from the tax;
- 2) the aggregate revenues derived from the sale, distribution, or delivery of that energy; and
- 3) a breakdown of these aggregated units and revenues by class of user.

### CLASSES OF USERS

The law distinguishes among four classes of users:

- 1) **Residential** -- residential energy users subject to residential schedules on file with the Public Service Commission of Maryland;
- 2) **Manufacturing** -- direct users of energy in manufacturing, assembling, processing or refining operations that are exempt from the Maryland State Retail Sales and Use Tax;
- 3) **Nonprofit Organizations** -- any nonprofit hospital, religious, charitable, or educational institution or organization, or any in-patient medical care or nursing facility licensed by the State or City Health Departments, with respect to energy used in carrying on the work

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of the nonprofit institution or organization or the in-patient medical care or nursing facility;

- 4) **All Other Users** -- Users not otherwise classified above including commercial for-profit users.

## EXEMPTIONS

The following deliveries of energy in the City are exempt from the tax:

- 1) Deliveries to Federal, State and local government entities;
- 2) Deliveries to non-profit organizations **through June 30, 2005**; beginning July 1, 2005 deliveries to non-profit organizations will be taxed;
- 3) Delivery of fuels used or consumed to propel any boats, motor vehicles, railroad vehicles, or aircraft;
- 4) Imports and Exports of energy not for consumption in the City of Baltimore;
- 5) Delivery of energy purchased for resale; and
- 6) Delivery of energy purchased for conversion into another form of energy subject to the energy tax.

## RATES

For the City's fiscal year 2005 (July 1, 2004 through June 30, 2005), the energy tax rates for fuel oil and LPG are as follows:

Type of User:	Rate per Unit for Fuel Oil:	Rate per Unit for LPG:
Residential	\$0.028887/gal	\$0.030940/gal
Manufacturing	\$0.017722/gal	\$0.023660/gal
Non-Profit Organization	No tax imposed until July 1, 2005	No tax imposed until July 1, 2005
All Other/Commercial	\$0.080038/gal	\$0.097680/gal

## ANNUAL ADJUSTMENT TO RATES

For fiscal year 2006 and each subsequent fiscal year, these tax rates shall be adjusted by the percentage change in the Washington-Baltimore Consumer Price Index, as reported by the United States Department of Labor, comparing December of the preceding calendar year to the December of the next preceding calendar year. The annually adjusted rates will be included in the proposed operating budget submitted by the Director of Finance to the Board of Estimates. After the adoption of the operating budget, the Director of Finance will certify to each vendor the tax rates for the upcoming fiscal year as included in the adopted budget.

## REFUNDS

Refund applications may be made in accordance with the law and upon forms and according to procedures established by the Bureau of Treasury Management for the following types of



refunds. Forms and instructions for these refunds may be obtained from the Miscellaneous Tax/License Unit at 410-361-9690.

1. **Uncollectible Accounts:** When a vendor has declared an account uncollectible, the vendor may apply for a refund provided (1) the vendor has submitted a written policy governing the determination of worthless accounts and (2) keeps and makes available to the City records regarding the worthless accounts.
2. **Tax Paid Erroneously:** Claims must be filed within 3 years of payment and must be accompanied by a proper ground for refund.
3. **Residential Uses:** Annually by April 1 of each year any person that has paid a tax on deliveries to residential users or mixed uses including residential uses may apply for a refund of any tax paid at a rate higher than the rate applicable to residential users. For instance, a mixed use retail and residential property where the tax has been at a rate higher than the residential rate may apply for a refund of the difference between the two rates for that portion of the taxes paid in excess of the applicable tax rate reasonably allocable to residential users only.

## **PAYMENT REMITTANCE, DUE DATES, AND PENALTIES**

As required by law, each vendor shall collect and remit the tax along with their monthly payment form to the Director of Finance on or before the 25<sup>th</sup> day of each month, covering the taxes billed for the preceding calendar month. Payments should be sent to City of Baltimore, Collections Division, Miscellaneous Tax/License Unit, 200 North Holliday Street, Baltimore, Maryland 21202. Any tax return received late will be subject to interest at the rate of 1% per month or any fraction of a month and a penalty of 10% of the tax due. Each vendor is individually liable for the taxes required to be remitted.

## **RECORDS RETENTION**

Each vendor must keep all pertinent records and documents for the same period that is required for federal tax purposes. Each vendor must make these records available, at all times, during business hours, for inspection and audit by authorized representatives of the City of Baltimore.

**Make payments payable to Director of Finance**

**Send payment with the monthly payment form to:**

**City of Baltimore  
Collections Division  
Miscellaneous Tax/License Unit  
200 North Holliday Street  
Baltimore, Maryland 21202**



FUEL OIL & LP GAS

RULES AND REGULATIONS

ADOPTED UNDER THE AUTHORITY OF SECTION 21 OF ARTICLE 28  
Of the Baltimore City Code (1983 Replacement Volume)

A group of preaddressed tax forms has been forwarded to you by the Collection Division several months prior to the due date of each report. These forms should be used in filing your return each month. If any specific month preaddressed form is lost, you can use one of the extra forms (blank month) provided. If all preaddressed forms are lost, you should request another group immediately. Do not use a self-prepared report or use a City Tax-id number assigned to a prior owner.

Keep in your files at your principal place of business or some other convenient location, duplicate copies of your return. Records and information in support of all returns, credits, exemptions, etc., should be maintained for a period of at least 4 years from date of tax return. Such records should be available and open to inspection of Director of Finance or authorized representative.

Avoid penalties and interest by filing correct returns on time, and by paying correct tax due with return. The law provides a penalty of 10% and interest at the rate of 1% per month for late filing of returns. Penalties are also imposed by law for wilful failure to collect, pay, keep records, file returns or false statements.

Some transactions are exempt by law, such as sales to nonprofit hospitals, schools, churches, etc. These sales exempt from taxes should be supported by approved exemption letters retained in your records. Any questionable transactions should be referred in writing to the Director of Finance. All exemption accounts will be approved by the Collection Division.

Tax should be billed as a separate item on vendors invoice to customer.

The tax, interest and penalty imposed under this subtitle shall be a lien upon the property of any person or other legal entity liable to pay the tax or penalty to the City.

**Subtitle 09 HOTEL ROOM TAX**

Administrative History

Effective Date: July 20, 1990

<b>FROM</b>	NAME & TITLE	William A. Reiley, City Collector	CITY OF BALTIMORE <b>MEMO</b>
	AGENCY NAME & ADDRESS	Bureau of Treasury Management, Collection Division Room I, Municipal Building	
	SUBJECT	Hotel Room Tax Rules and Regulations	

TO

~~SERVE THE PEOPLE~~

DATE: July 20, 1990

Mr. Bernard Murphy  
 Department of Legislative Reference  
 Room 626, City Hall

Pursuant to the authority granted to The Director of Finance, by Section 38(b) of Article 28 of the Baltimore City Code (1983 Replacement Volume), the following rules and regulations pertaining to the payment, collection and accounting of Hotel Room Tax, are hereby promulgated:

**I. Imposition**

The tax is imposed upon the gross amount of money paid by transient guests or tenants for renting, using or occupying a room or rooms in a hotel.

**II. Definitions**

1. ~~Transient Guest or Tenant~~: Means a person or persons renting, using or occupying a room or rooms in a hotel for less than ninety (90) consecutive days.
2. ~~Hotel~~: Means a building containing sleeping accommodations for more than five (5) persons and open to the transient public.

**III. Procedures**

1. A Hotel Operator must file an application for a tax account with the Director of Finance, Collection Division, Room #1, Wolman Municipal Building, 200 Holliday Street, Baltimore, Maryland 21202.
2. The tax is to be collected at the same time the room rental charge is collected.
3. Taxes collected during any calendar month must be remitted to the Director of Finance on or before the 25th day of the following month.
4. At the time payment is remitted, the person making the payment shall file with the Director of Finance a completed tax return as prescribed and furnished by the Director.

- 5: Every hotel operator shall keep complete and accurate records and documents as are necessary to determine the tax due. Such records and documents shall be kept within the City of Baltimore, and be open during normal business hours for inspection and examination by the Director of Finance or other duly authorized representatives, agents or employees of the Mayor and City Council of Baltimore. Documents supporting any exemptions reported shall be filed in such a manner as to be readily accessible to support monthly tax returns. Records and other documents must be retained for a period of four (4) years.

#### IV. Refunds

Whenever a person has paid the Tax in connection with a room or rooms in a hotel which the person has rented, used or occupied for ninety (90) consecutive days, that person may request a refund of the taxes which were paid. The request must be filed within three (3) years and shall include the dates of occupancy, the rental charges, the taxes actually paid, and a certification from the manager or operator of the hotel that the facts contained therein are true and correct and agree with the hotel's records.

#### V. Exemptions

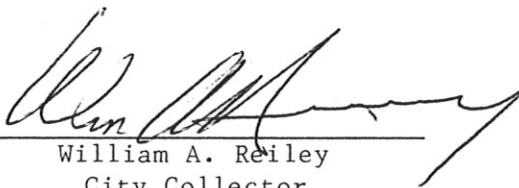
1. Whenever a person, or a corporation contracts with a hotel for a specified number of rooms or accommodations at a specified price for a period of ninety (90) days or more, the rental charges for the specified number of rooms or accommodations shall be exempt from the tax. Contracts which guarantee room rates for a period of ninety (90) days or more, but which do not guarantee a specified number of rooms are not exempt from the hotel tax.
2. Government employees are exempt from the tax only under the following conditions:
  - a. The rental charge is paid directly by the governmental entity or agency in the form of a check, or voucher, or billed to a credit card bearing only the name of the governmental entity or agency. Note: Credit cards bearing the name of the employee in addition to the name of the governmental entity or agency are subject to the tax.
  - b. The employee must complete an "Exemption Certificate for Governmental Agencies", which the hotel must retain with their records. (See III-5)

Reference: 310 MD 154 (1987) Comptroller of the Treasury v. World Inns, Inc. t/a Best Western Motels. The Maryland Court of Appeals ruled that the "Legal incidence of state sales tax imposed upon rentals of hotel rooms fell upon federal employees who rented such rooms and paid for rooms with their personal funds, though they were on government business, and thus, rentals of hotel rooms by federal employees were not immune from state sales tax."

3. Nonprofit organizations or their employees are not exempt from the hotel tax.

VI. Conveyance of Hotel Business

Whenever any person, firm, association or corporation owning or operating any hotel business in Baltimore City shall sell, transfer, convey or assign any such hotel business, the purchaser, transferee or assignee thereof shall, at least ten (10) days before taking possession or control of such hotel business or paying therefor, notify the Director of Finance by registered mail of the proposed sale, transfer, conveyance, or assignment and of the price, terms and conditions thereof.

  
\_\_\_\_\_  
William A. Reiley  
City Collector

WAR:kda

**Subtitle 10 OUTDOOR ADVERTISING EXCISE TAX**

## **RULES AND REGULATIONS – Outdoor Advertising Excise Tax**

The Director of Finance adopts these Rules and Regulations pursuant to Baltimore City Code, Article 28, § 29.

### **I. Background**

Baltimore City Code, Article 28, Subtitle 29, requires that certain businesses pay the outdoor advertising tax as it has been determined that outdoor advertising constitutes a separate distinct activity within the City that affects the use of City streets, sidewalks, and other public places while impacting many private places open to the public. The unregulated display of outdoor advertising constitutes a public nuisance that imposes cost on the City beyond those caused by other activities by harming the health, safety, convenience, and welfare of the residents of the City. The Council has determined that outdoor advertising may harm the City by creating visible clutter and blight and by promoting a negative aesthetic impact in the City in a way that reduces the City's ability to collect revenue from other sources.

The tax imposed advances significant government interests by properly allocating the potential economic burdens caused by outdoor advertising while reducing these harms. The tax is the least restrictive means necessary to achieve these goals.

### **II. Definitions**

- A. The Director adopts and incorporates the terms as used in Baltimore City Code, Article 28, § 29.
- B. In addition, the terms as used in these Rules and Regulations have the following definitions:
  1. “Advertising Host” means the person who owns or controls a billboard, poster board, or other sign; and charges fees for its use as an outdoor advertising display.
  2. “Finance Director” or “Director” means the Director of Finance or a designee of the Director of Finance.
  3. “Outdoor Advertising Display” means an outdoor display of a 10 square foot or larger image or message that directs attention to a business, commodity, service event or other activity that is sold, offered, or conducted somewhere other than on the premises on which the display is made; and sold offered, or conducted on the premises only incidentally if at all.
  4. “Person” means an individual, firm, association, corporation, or other entity of any kind; and a receiver, trustee, guardian, personal representative, fiduciary, or representative of any kind. “person” does not include, unless otherwise expressly provided, a governmental entity or an instrumentality or unit of a governmental entity.
  5. “Square foot of advertising imagery” means a square foot of a space occupied by an outdoor advertising display.
  6. “Ordinance” means Baltimore City Code, Article 28, Subtitle 29.



III. Tax Imposed and Amount of Tax

- A. The tax is imposed on the privilege of exhibiting outdoor advertising displays in the City.
- B. The annual amount of the tax imposed is \$15.00 per square foot of advertising imagery for an electronic outdoor advertising display that changes images more than once a day or \$5.00 per square foot of advertising imagery for any other outdoor advertising display.
- C. If a single space is used for multiple outdoor advertising displays during the course of one reporting period, the advertising host must pay the annual tax as if the display that would generate the highest tax liability had it been in place for the entire year or pay an additional tax for any other displays in that space.

IV. Application and Payment

- A. All applications must be filed with the Bureau of Revenue Collections, 200 Holliday Street, Wolman Municipal Building, Room 3; Baltimore, Maryland 21202. Any questions should be directed to the Bureau at (410) 361-9690, or at COBBusinessLicense@baltimorecity.gov.
- B. Each advertising host must return the completed application to the Bureau of Revenue Collections on or before July 10<sup>th</sup> of each year for the proceeding tax year (July 1 through June 30). The application must specify the number of separate spaces made available by the advertising host for the exhibition of outdoor advertising displays and indicate the location and size of each outdoor advertising display displayed in the previous 12 months.
- C. The tax must be paid when the application is returned on or before July 10th.
- D. The advertising host must maintain complete and accurate records of all of its outdoor advertising displays and make these records available during business hours for inspection and audit by the City.
- E. If an advertising host sells or closes all or part of its operation, the application and taxes are due within 3 business days.

V. Tax Determination, Penalties and Fines

- A. If the advertising host fails to pay the outdoor advertising tax, interest will be assessed at the rate of 1% for each month or fraction of a month that the tax is overdue and a penalty of 10% of the amount of the tax due will also be assessed.
- B. If the advertising host fails to report and remit the outdoor tax, the Director of Finance will estimate the amount of the tax that is due and assess interest and penalty.
- C. Estimated payments are due within 10 calendar days from the date of the bill.
- D. The tax, interest and penalties owed are liens on all real and personal property of any advertising host liable for the payment of the outdoor advertising tax.
- E. Any person who violates the outdoor advertising tax law is guilty of a misdemeanor and on conviction, is subject to a fine of up to \$1000.00 or imprisonment for each offense.

These rules and regulations are effective this day of \_\_\_\_\_, 2014, and have been filed with the City of Baltimore Department of Legislative Reference.

Issued and Approved:

\_\_\_\_\_  
Harry E. Black, Director  
Department of Finance

\_\_\_\_\_  
Date

**Subtitle 11 RECORDATION TAX**

Administrative History

Effective Date: September 1, 2004

CITY OF BALTIMORE

MARTIN O'MALLEY, Mayor



DEPARTMENT OF FINANCE

BUREAU OF TREASURY MANAGEMENT  
Room 7, Abel Wolman Municipal Building  
200 Holliday Street  
Baltimore, Maryland 21202

## FACT SHEET FOR BALTIMORE CITY RECORDATION TAX

As of June 23, 2004, the City of Baltimore enacted legislation (Ordinance 04-727) changing its Recordation Tax rate to \$5.00 per \$500 of transaction. Additionally, the legislation creates a partial exemption for owner-occupied residences.

Under this partial exemption, the recordation tax does not apply to the first \$22,000 of the consideration payable on the conveyance of owner-occupied residential property if the instrument in writing is accompanied by a statement, signed under oath by the buyer, that the buyer will use the property as the buyer's principal residence by actually occupying the property for at least 7 months of the 12-month period immediately following the conveyance.

The changes take effect on September 1, 2004 as to any instrument conveying title or securing a debt that contains a notary acknowledgment dated on or after September 1, 2004 and is presented for recordation on or after September 1, 2004.

The new ordinance can be accessed on the City's website at <http://cityservices.baltimorecity.gov/charterandcodes/>.

**BALTIMORE BELIEVE**

1-866-BELIEVE • [www.baltimorebelieve.com](http://www.baltimorebelieve.com)

**CITY OF BALTIMORE, MARYLAND  
RECORDATION TAX  
CERTIFICATION OF OWNER-OCCUPIED STATUS**

I (we), \_\_\_\_\_, do hereby certify and  
(Print Name of Purchaser(s))

affirm under the penalties of perjury that I (we) have purchased property in the City of Baltimore  
known as \_\_\_\_\_ which I (we) shall  
(Address of Property)

occupy as my (our) principal residence for at least 7 of the 12 months immediately following this  
conveyance.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

**Subtitle 12 SIMULATED SLOT MACHINES TAX**

Administrative History

Effective Date: January 1, 2011

# Finance / Simulated Slot Machines / Rules and Regulations

Adopted by authority of Article 15, Section 2-17 of Baltimore City Code as last amended by Ordinance 10-356 on August 10, 2010

1. **Effective** January 1, 2011, simulated slot machines will be subject to a Registration Tax.
2. **Definitions-** An amusement device is any electronic or mechanical device that is designed to provide amusement or entertainment and for which a fee is charged to operate or use. A simulated slot machine is defined as any amusement device equipped with a knock-off device that enables an owner or custodian of the device to remove free plays or other game credits accumulated by a winning player.
3. **Admissions and Amusement Tax Exemption-** Effective January 1, 2011, all simulated slot machines are exempt from Admissions and Amusement tax. All other amusement devices shall continue to be subject to the Admissions and Amusement tax, and all associated requirements of the tax.
4. **Effective** January 1, 2011, all owners of more than five simulated slot machines must apply for an annual master license. All simulated slot machines are exempt from payment of annual amusement device license fees.
5. **License Fee Due-** For calendar year 2011, the annual master license fee is due no later than January 31 of the calendar year for the license. For calendar year 2012 and each subsequent year, this fee is due no later than January 1 of the calendar year.
6. **Registration Tax Due-** For calendar year, 2011, this tax is due no later than January 31, 2011. For calendar year 2012 and each subsequent year, this tax is due no later than January 1 of the calendar year.
  - a. A quarterly payment plan for the payment of registration taxes is available for any simulated slot machine owner that wishes to make payments in this fashion. Payments made through this plan shall be subject to a service charge of \$48.
  - b. Anyone who wishes to enroll in quarterly registration tax payment must submit their application, along with their first quarter payment, to the Baltimore City Bureau of Revenue Collections License Unit no later than January 31, 2011.

c. Anyone who enrolls in quarterly payment of registration taxes may elect to include payment of the master license fee related to the devices for which the registration tax is paid into their payment plan, if applicable.

d. The following table provides an example of the due dates for Calendar year 2011 for those that elect to enroll in quarterly payments:

## 2011 Registration Tax Quarterly Payment Plan Schedule

Quarter	Tax Reporting Period	Tax Due on or Before
1	January 1 <sup>st</sup> -March 31 <sup>st</sup>	January 31 <sup>st</sup>
2	April 1 <sup>st</sup> -June 30	April 1 <sup>st</sup>
3	July 1 <sup>st</sup> -September 30 <sup>th</sup>	July 1 <sup>st</sup>
4	October 1 <sup>st</sup> -December 31 <sup>st</sup>	October 1 <sup>st</sup>

7. **Penalties** --Penalties for failure to comply with Baltimore City Ordinance 10-343 and these Rules and Regulations include the following:

a. Late payments will be subject to:

- 1) 10% penalty of the amount of tax due and,
- 2) 1% per month interest charge for each month or fraction thereof that the tax is overdue.

b. Additional penalties may be assessed including:

- 1) A person who violates any provision of this law, rule or regulation may be found guilty of a misdemeanor and on conviction, subjected to a fine of not more than \$1,000 or to imprisonment of not more than 12 months or both.

8. **Bounty Program**- The City shall offer a bounty program to reward persons who report machines being operated without the required licenses and/or registration.



- a. **Eligibility-** Any person that reports information, in writing, that leads to the successful collection of fines and penalties for operating a simulated slot machine without a proper license and registration shall be eligible to receive 25% of those fines and penalties.
- b. Tips may be reported to the Bureau of Revenue Collections via email to: **baltimorecitycollections@baltimorecity.gov**, or in writing to the Chief of Revenue Collections at 200 N. Holliday St, Baltimore MD 21202
- c. Only one reward per case shall be offered. In the event that more than one person reports the illegal operation of a simulated slot machine at the same location, the person whose tip has the earliest email timestamp or postmark shall receive the reward.
- d. The Chief of Revenue Collections has the final authority in determining eligibility for a reward.
- e. No rewards shall be made until delinquent fines and penalties are successfully recovered by the City.
- f. All rewards are contingent upon appropriation of funds as approved by the Board of Estimates.

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

Elena DiPietro, Chief Solicitor

*Elena DiPietro*  
Elena DiPietro, Chief Solicitor

Date  
11/16/10

\_\_\_\_\_

APPROVED BY THE DIRECTOR OF FINANCE:

Edward J. Gallagher, Director of Finance

*E. J. Gallagher*  
Edward J. Gallagher, Director of Finance

11/16/10  
*pad*

\_\_\_\_\_

# Finance / Simulated Slot Machines / Rules and Regulations

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  - b. Anyone who wishes to enroll in quarterly registration tax payment must submit their application, along with their first quarter payment, to the Baltimore City Bureau of Revenue Collections License Unit no later than January 31<sup>st</sup>, 2011.

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- f. All rewards are contingent upon appropriation of funds as approved by the Board of Estimates.

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

Elena DiPietro, Chief Solicitor  
*Elena DiPietro*  
 Elena DiPietro, Chief Solicitor

11/18/10  
 Date

APPROVED BY THE DIRECTOR OF FINANCE:  
 Edwar *E. J. Gallagher* of Finance  
 Edward J. Gallagher, Director of Finance

11/16/10  
 Tpaid

**Subtitle 13 TELECOMMUNICATIONS TAX**

Administrative History

Effective Date: June 29, 2010

Contact: Collections Division  
410-361-9690

## TELECOMMUNICATIONS TAX

### RULES AND REGULATIONS

ADOPTED UNDER THE AUTHORITY OF SUBTITLE 25, OF ARTICLE 28  
Of the Baltimore City Code as last amended by Ordinance 10-0303  
Approved June 29<sup>th</sup>, 2010

Operators shall retain in their files at their principal business or if not located in Baltimore City some other convenient location within the City of Baltimore, duplicate copies of tax returns along with records and information in support of all returns. All such supporting information shall be retained by the operator for the same period as is required for Federal Tax purposes.

Monthly payment forms shall be filed for each account. The monthly payment forms shall be completed in their entirety and filed on or before the 25<sup>th</sup> day of each month.

The tax is applicable to all telecommunications "lines," meaning a wired or wireless connection, identifiable through a unique telephone number, to an exchange, wireless, or other telecommunications service.

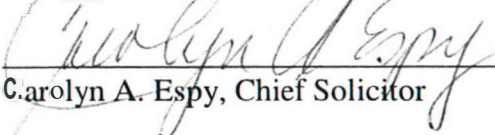
Any exemption claimed by virtue of non-taxable status under this ordinance, shall be reported monthly. The only exemption allowed under this law is for "Lifeline Service" customers, as defined by the rules of the Federal Communications Commission and the State Public Service Commission. Exemptions claimed must be supported by documentation that must be submitted with the monthly tax returns. The company shall retain all exemptions in their files in the same manner and for the same period of time as all other pertinent information, and make these records available, at all times during business hours, for inspection and audit by authorized representatives of the City of Baltimore.

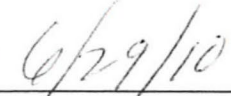
The return shall be signed by the owner, officer, partner, or authorized representative of the operating entity as to the correctness and accuracy of the return.

Any person, who violates any provision of this subtitle or of a Rule and Regulation adopted under this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000.00 or to imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

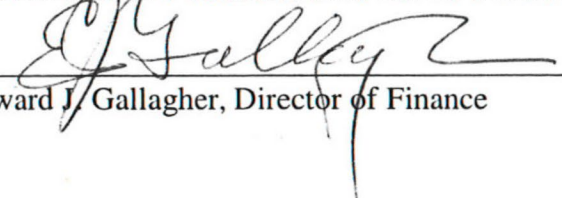
These regulations have been approved this 29<sup>th</sup> day of the month of June, 2010 and submitted to the Department of Legislative Reference pursuant of the provision of Section 25-8 (b) of Ordinance No. 04-0726.

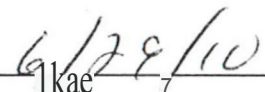
APPROVED FOR FORM AND LEGAL SUFFICIENCY:

  
\_\_\_\_\_  
Carolyn A. Espy, Chief Solicitor

  
\_\_\_\_\_  
Date

APPROVED BY THE DIRECTOR OF FINANCE:

  
\_\_\_\_\_  
Edward J. Gallagher, Director of Finance

  
\_\_\_\_\_  
kac



Contact: Collections Division  
410-361-9690

## TELECOMMUNICATIONS TAX

### RULES AND REGULATIONS

ADOPTED UNDER THE AUTHORITY OF SUBTITLE 25, OF ARTICLE 28  
Of the Baltimore City Code as last amended by Ordinance 04-726  
Approved June 23, 2004

Operators shall retain in their files at their principal business or if not located in Baltimore City some other convenient location within the City of Baltimore, duplicate copies of tax returns along with records and information in support of all returns. All such supporting information shall be retained by the operator for the same period as is required for Federal Tax purposes.

Monthly payment forms shall be filed for each account. The monthly payment forms shall be completed in their entirety and filed on or before the 25<sup>th</sup> day of each month.

The tax is applicable to all telecommunications "lines," meaning a wired or wireless connection, identifiable through a unique telephone number, to an exchange, wireless, or other telecommunications service. "Wireless service" does not include paging services licensed by the Federal Communications Commission under 47 C.F.R., Parts 22 and 90, as in effect on July 1, 2004.

The tax is applicable to telecommunications services provided beginning August 1, 2004. Land lines shall be taxed at the current percentage (12%) sales tax rate for services through July 31, 2004. Wireless lines shall not be taxed on any service through July 31, 2004. For service provided beginning on August 1, 2004, the rate of tax imposed is:

- 1) \$3.50 per month or part of a month for every telecommunications line, whether a residence, business, PBX trunk line, or other wired or wireless telecommunications line, except for centrex lines; and
- 2) \$0.35 per month or part of a month for each centrex line.

The tax for the first August billing cycles overlapping August 1, 2004 only should be prorated to reflect the change in tax rates for land lines and the new tax for wireless lines beginning August 1, 2004.

Any exemption claimed by virtue of non-taxable status under this ordinance, shall be reported monthly. The only exemption allowed under this law is for "Lifeline Service" customers, as defined by the rules of the Federal Communications Commission and the State Public Service Commission. Exemptions claimed must be supported by documentation that must be submitted with the monthly tax returns. The company shall retain all exemptions in their files in the same

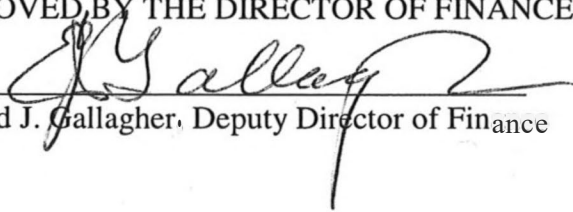
manner and for the same period of time as all other pertinent information, and make these records available, at all times during business hours, for inspection and audit by authorized representatives of the City of Baltimore.

The return shall be signed by the owner, officer, partner, or authorized representative of the operating entity as to the correctness and accuracy of the return.

Any person, who violates any provision of this subtitle or of a Rule and Regulation adopted under this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000.00 or to imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

These regulations have been approved this 13<sup>th</sup> day of the month of July, 2004 and submitted to the Department of Legislative Reference pursuant of the provision of Section 25-8 (b) of Ordinance No. 04-726.

APPROVED BY THE DIRECTOR OF FINANCE:

  
\_\_\_\_\_  
Edward J. Gallagher, Deputy Director of Finance

7/13/04  
ode

CITY OF BALTIMORE

MARTIN O'MALLEY, Mayor



DEPARTMENT OF FINANCE

BUREAU OF TREASURY MANAGEMENT  
Room 7, Abel Wolman Municipal Building  
200 Holliday Street  
Baltimore, Maryland 21202

## FACT SHEET FOR TELECOMMUNICATIONS TAX

On June 23, 2004 the City of Baltimore enacted a law expanding its local telecommunications tax and changing the structure of the tax from a percentage sales tax on the customer to a flat excise tax on the vendor. The provisions of the law are as follows.

### TELECOMMUNICATIONS SERVICE DESCRIPTION

"TELECOMMUNICATIONS LINE" means a wired or wireless connection, identifiable by a unique telephone number, to an exchange, wireless, or other telecommunications service.

"WIRELESS SERVICE" means any mobile telecommunications service, as that term is used in the federal Mobile Telecommunications Sourcing Act. This includes any:

- 1) Cellular Telephone Service;
- 2) Personal Communications Service (PCS);
- 3) Commercial Mobile Radio Service (CMRS); or
- 4) Global System for Mobile Communications (GSM).

"Wireless service" does not include paging services licensed by the Federal Communications Commission under 47 C.F.R., Parts 22 and 90, as in effect on July 1, 2004.

### TAX IMPOSED

The tax is levied and imposed on each person who leases, licenses, or sells a telecommunications line to any customer for wired service, whose billing address or fixed service address is in the City; or for wireless service, whose place of primary use, as defined in the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. §§ 116 through 126 (Pub. L. 106-252), is in the City. The tax is applicable to services provided beginning August 1, 2004.

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@ Printed on recycled paper with environmentally friendly soy based ink.

## **TAX RATES**

Land lines shall be taxed at the current percentage (12%) sales tax rate for services through July 31, 2004. Wireless lines shall not be taxed on any service through July 31, 2004. For service provided beginning on August 1, 2004, the rate of tax imposed is:

- 1) \$3.50 per month or part of a month for every telecommunications line, whether a residence, business, PBX trunk line, or other wired or wireless telecommunications line, except for centrex lines; and
- 2) \$0.35 per month or part of a month for each centrex line.

The tax for the first August billing cycles overlapping August 1, 2004 only should be prorated to reflect the change in tax rates for land lines and the new tax for wireless lines beginning August 1, 2004.

## **EXEMPTIONS**

The tax imposed does not apply to a telecommunications line furnished to a telecommunications "Lifeline Service" customer, as defined by the rules of the Federal Communications Commission and the State Public Service Commission. There are no other exemptions to this tax.

## **PAYMENT REMITTANCE, DUE DATES AND PENALTIES**

As required by law, each vendor shall collect and remit the tax to the Director of Finance **on or before the 25<sup>th</sup> day of each month**, covering the preceding calendar month. Payments should be sent to City of Baltimore, Collections Division, Miscellaneous Tax/License Unit, 200 North Holliday Street, Baltimore, Maryland 21202. Any tax return received late will be subject to interest at 1% per month or part of a month that the tax is overdue and penalty of 10% of the tax due.

## **RECORDS RETENTION**

Each vendor must keep all pertinent records and documents for the same period that is required for federal tax purposes. Each vendor must make these records available, at all times, during business hours, for inspection and audit by authorized representatives of the City of Baltimore.

### **Mailing Instructions:**

Make payment payable to **Director of Finance**

Send payment with the monthly payment form to:

City of Baltimore  
Collections Division  
Miscellaneous Tax/License Unit  
200 North Holliday Street  
Baltimore, Maryland 21202

Contact: Collections Division  
410-361-9690

## TELECOMMUNICATIONS TAX

### RULES AND REGULATIONS

ADOPTED UNDER THE AUTHORITY OF SUBTITLE 25, OF ARTICLE 28  
Of the Baltimore City Code as last amended by Ordinance 10-0303  
Approved June 29", 2010

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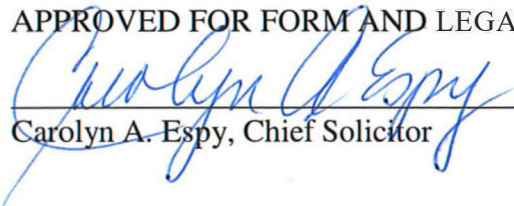
Any exemption claimed by virtue of non-taxable status under this ordinance, shall be reported monthly. The only exemption allowed under this law is for "Lifeline Service" customers, as defined by the rules of the Federal Communications Commission and the State Public Service Commission. Exemptions claimed must be supported by documentation that must be submitted with the monthly tax returns. The company shall retain all exemptions in their files in the same manner and for the same period of time as all other pertinent information, and make these records available, at all times during business hours, for inspection and audit by authorized representatives of the City of Baltimore.

The return shall be signed by the owner, officer, partner, or authorized representative of the operating entity as to the correctness and accuracy of the return.

Any person, who violates any provision of this subtitle or of a Rule and Regulation adopted under this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000.00 or to imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

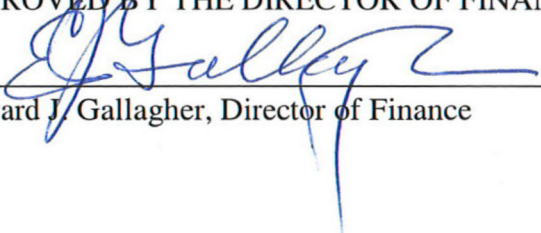
These regulations have been approved this 29" day of the month of June, 2010 and submitted to the Department of Legislative Reference pursuant of the provision of Section 25-8 (b) of Ordinance No. 04-0726.

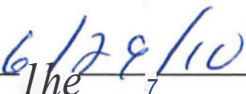
APPROVED FOR FORM AND LEGAL SUFFICIENCY:

  
\_\_\_\_\_  
Carolyn A. Espy, Chief Solicitor

  
\_\_\_\_\_  
Date

APPROVED BY THE DIRECTOR OF FINANCE:

  
\_\_\_\_\_  
Edward J. Gallagher, Director of Finance

  
\_\_\_\_\_  
Date

**Subtitle 14 WATER CHARGES IN TAX SALE**

Administrative History

Effective Date: March 29, 2017



**RULES AND REGULATIONS – WATER CHARGES IN TAX SALE**

As the result of changes to the water billing system maintained by the Department of Public Works, the Department of Finance’s “Rules and Regulations – Water Charges in Tax Sale” are no longer necessary. Therefore, the “Rules and Regulations – Water Charges in Tax Sale” are hereby repealed.

This repeal is effective this day of 3/29/17, 2017, and has been filed with the City of Baltimore Department of Legislative Reference.

Issued and Approved:

Henry J. Raymond  
Henry J. Raymond, Director  
Department of Finance

3/29/17  
Date

## RULES AND REGULATIONS -- WATER CHARGES INTAX SALE

Adopted under the general powers granted to the Director of Finance pursuant to §§ 5 through 18 of Article VII, "Executive Departments", of the Charter of Baltimore City; Subtitle 8, "Collection", of Title 14, "Procedure", of the Tax - Property Article of the Annotated Code of Maryland; and Subtitle 8, "Tax Sales", of Article 28, "Taxes", of the Baltimore City Code.

The authority to promulgate these rules and regulations is necessary and inherent to the powers granted to the Director of Finance to collect property taxes pursuant to § 12 of Article VII of the Baltimore City Charter and § 14-808 of the Tax - Property Article of the Maryland Code.

### I. Background

State law requires the City to conduct periodic sales of unpaid liens, which it usually does at an annual tax sale lien auction online in May. Among the liens collected are unpaid water charges. The Director of Finance seeks to determine the validity of the unpaid water charges before they are subject to sale.

Erroneous or incompletely documented water charges may result in inconvenience, annoyance, and confusion to water account customers. Moreover, the customers may be compelled to pay invalid charges or face foreclosure. Tax sale certificate purchasers also have an interest in not wasting resources on properties whose certificates may be voided after the tax sale.

### II. Definitions

- A. The Director adopts and incorporates the terms as used in Title 14 of the Tax - Property Article of the Maryland Code.
- B. In addition, the terms as used in these rules and regulations have the following definitions:
  - 1. "Estimated water charges" mean that an account has at least one estimated reading in the last eighteen histories in the water system records available to the Department of Finance.
  - 2. "History" means one of the eighteen events occurring on a water account and recorded in the water system records available to the Department of Finance. Histories include, but are not limited to, data related to meter readings and adjustments.
  - 3. "Informal conference" means a meeting conducted through the Department of Public Works to determine whether water charges to a water account should be abated.
  - 4. "Water charges" mean the charges for water consumption, sewer connection, bay restoration fees, interest, and any other charges levied on a water account for a property by the Department of Public Works.

### III. Procedure

- A. To determine whether water charges are valid, the Bureau of Revenue Collections will examine the list of the properties eligible for tax sale. The examination will occur after the final publication required by § 14-813 of the Tax - Property Article of the Maryland Code and before



the final list of properties eligible for tax sale is completed by the Bureau. The examination only will involve properties eligible for tax sale solely as a result of metered water charges with no other liens.

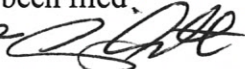
B. The Bureau will remove from the list of properties eligible for tax sale all properties:

1. with at least one estimated reading in the last eighteen histories,
2. with known estimated water charges although not identified as such,
3. in an active bankruptcy proceeding,
4. for which an informal conference has been requested but not yet held,
5. awaiting the results of a pending meter investigation or adjustment after an informal conference has been held,
6. whose liens have been paid so that the balance is below the threshold defined in § 14-849.1 of the Tax – Property Article of the Maryland, and
7. any other reason that would render the water charges invalid.

C. No property will be removed from a list of properties eligible for tax sale for the same factual reason that it was removed from any prior tax sale list. For example, if a property was removed for an estimated water charge, then it will not be removed from a later list for the same charge unless an adjustment of the charge was made but not recorded on the account. However, the property will be removed if another reason described in subpart B arose after the date of the prior tax sale.

D. The Bureau will compile and provide to the President and each member of the City Council a report delineating all water accounts examined pursuant to these rules and regulations, by councilmanic district. The fields of information will include:

1. water account number,
2. service address with the block and lot,
3. last bill date,
4. current balance,
5. last payment date
6. whether the property has been removed from or is still on the list, and
7. reason for the removal or inclusion.

These rules and regulations are effective this day of 10/18/12, 2012, and have been filed with the City of Baltimore Department of Legislative Reference. *Rec'd DLR 10/18/12* 

Issued and Approved:

*Harry Black*  
Harry Black, Director  
Department of Finance

10/18/12  
Date

**Subtitle 15 PRIVATE SECURITY CAMERA SYSTEM REBATE AND VOUCHER**

Administrative History

Effective Date: July 23, 2020

Rules and Regulations of the Private Security Camera System Rebate and Voucher Program

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## **Rules and Regulations of the Private Security Camera System Rebate and Voucher Program**

*To participate in the Private Security Camera System Rebate and Voucher Program, an applicant must comply with the following regulations for the Program.*

### **1. Registering with the CitiWatch Community Partnership**

- a) The registrant must register their camera system with the CitiWatch Community Partnership at [citiwatch.baltimorecity.gov](http://citiwatch.baltimorecity.gov)
- b) After completing the form, the registrant will receive an email confirmation from the CitiWatch Community Partnership Team with a temporary password. Please log into the account to set a permanent password.
  - Go to [citiwatch.baltimorecity.gov](http://citiwatch.baltimorecity.gov)
  - Sign in using the registration email and temporary password.
  - At the top right please select "Change Password"
  - Enter the temporary password, followed by the new permanent password; confirm the new password by re-typing it and select save.
- c) If the registrant intends to submit a camera rebate application, they must save their confirmation code as it will be needed to demonstrate proof of registration. If the applicant does not receive a confirmation email:
  - Check the junk mail or spam folder if the email is not present in the inbox.
  - Contact us at [help.citiwatch@baltimorecity.gov](mailto:help.citiwatch@baltimorecity.gov) if the applicant has not received the confirmation e-mail within four hours of submitting registration.
- d) If the registrant is also interested in a rebate application, the prospective applicant can apply for a rebate as part of the camera registration process.

### **2. Submitting Rebate Application**

- a) If the applicant has purchased a camera on an installment plan, please submit the application upon fully paying for the camera(s).
- b) For each residential property applicants may submit a rebate application for up to two (2) systems.
- c) For each qualifying small business applicants may submit a rebate application for up to three (3) systems.
- d) An individual may submit a rebate application for an additional system for a property that has already received a rebate every two (2) years from the original rebate date.
- e) By submitting an application, the applicant acknowledges: that they must comply with the following Statement of Agreement:
  - I, the undersigned, acknowledge that as a condition of receiving the rebate that is the subject of this application, I must comply with all the requirements of the law establishing the Private Security Camera Rebate and Voucher Program.
  - I also agree that I will orient my system at all times for the next two (2) years on the public right-of-way, designated in writing by the Baltimore Police Department as being an area that's visible from a public space, such as a road, sidewalk or from the air, where there is no reasonable expectation of privacy.
  - I will not use the security camera for any unlawful or harassing purposes.
  - I have complied with all applicable building and electrical code requirements.
  - I have the ability to retain, at minimum, storage for 48 hours of camera footage.

## **Rules and Regulations of the Private Security Camera System Rebate and Voucher Program**

- I acknowledge that the City reserves the right to request footage as part of a random compliance audit; at the request of Baltimore City Information Technology (BCIT) I confirm my willingness and ability to self-submit video
    - i. Under the direction and guidance of BCIT
    - ii. Of up to 5G in size
    - iii. At least 10 uninterrupted seconds in length
    - iv. Taken at a time of my choosing
  - I am able and willing to update my contact information in the CitiWatch Community Partnership database within 90 days of moving from the address at which my camera is currently registered
    - v. Step 1: Purchase and install the camera(s) on the exterior of the property.
    - vi. Step 2: Register the camera system with the CitiWatch Community Partnership. Please refer to the *Registering with the CitiWatch Community Partnership* section of the Rules and Regulations.
    - vii. Step 3: Complete and submit the rebate application template, which can be completed electronically as part of the registration process by selecting the rebate application option OR downloaded as a PDF at the Community Partnership homepage. Physically completed applications can be mailed to:

*Mayor's Office of Criminal Justice  
100 Holliday Street – City Hall  
Baltimore, Maryland 21202*
1. Answer all questions on the application
  2. Be sure to provide the name and address of the individual or organization to which the rebate check should be mailed
  3. Provide proof of camera purchase
  4. For details on qualifying proof of purchase, and how to share proof of purchase, please refer to the Proof of Purchase section of the rules and regulations.
- viii. Step 4: Upon submission of a complete application the applicant will receive an email from the CitiWatch Community Partnership team acknowledging successful submission.
- f) Note it may take up to nine (9) weeks from the time of submission to issue a rebate provided the application is completed and approved.

### **3. Submitting Voucher Application**

- a) For each residential property applicants may submit a voucher application for one (1) systems.
- b) An individual may not submit a voucher application for an additional system for a property that has already received a voucher.
- c) By submitting an application, the applicant acknowledges: that they must comply with the following Statement of Agreement:
  - I, the undersigned, acknowledge that as a condition of receiving the rebate that is the subject of this application, I must comply with all the requirements of the law establishing the Private Security Camera Rebate and Voucher Program.
  - I also agree that I will orient my system at all times for the next two (2) years on the public right-of-way, designated in writing by the Baltimore Police Department as being



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an area that's visible from a public space, such as a road, sidewalk or from the air, where there is no reasonable expectation of privacy.

- I agree that the voucher will be used only to purchase and install a qualifying security camera.
- I acknowledge that I am willing and have the means to install a security camera.
- I acknowledge that the security camera will not be used for any unlawful or harassing purposes.
- I acknowledge that the installation will comply with all applicable building and electrical code requirements.
- I acknowledge that I am expected to retain, at minimum, storage for 48 hours of camera footage.
- I acknowledge that the City reserves the right to request footage as part of a random compliance audit; at the request of Baltimore City Information Technology (BCIT) I confirm my willingness and ability to self-submit video
  - i. Under the direction and guidance of BCIT
  - ii. Of up to 5G in size
  - iii. At least 10 uninterrupted seconds in length
  - iv. Taken at a time of my choosing
- I am able and willing to update my contact information in the CitiWatch Community Partnership database within 90 days of moving from the address at which my camera is currently registered.

- i. Step 1: Complete the Voucher Application Template, which can be completed electronically on the Community Partnership homepage OR downloaded as a PDF. Physically completed applications can be mailed to:

*Mayor's Office of Criminal Justice  
Attn: CCTV Rebate and Voucher Program Coordinator  
100 Holliday Street – City Hall  
Baltimore, Maryland 21202*

- 1. Answer all questions on the application
- 2. Be sure to provide the name and address of the property owner or lessee who is eligible to receive a voucher for purchase and installation of a security camera.
- ii. Step 2: Provide proof of current receipt of public assistance. Submit qualifying proof of receipt of public assistance through the electronic application template. Alternatively, the above stated mailing address can be used.
  - 1. "Public assistance" means money, property, food stamps or other assistance that is provided under a need-based social or nutritional program that is: (1) financed wholly or partially by the State and (2) administered by the State or Baltimore City
  - 2. Proof of receipt of public assistance includes any government issued document affirming that the applicant is enrolled in a public assistance program, as defined above. Examples include scanned copies of Medicaid, SNAP and/or WIC cards.

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- iii. Step 3: Upon submission of a complete application, the applicant will receive an email from the CitiWatch Community Partnership team acknowledging successful submission of their application.
- d) Note it may take up to nine (9) weeks from the time of submission to issue the rebate provided the application is completed and approved.

### 4. Proof of Purchase (Procedure and Verification)

- a) For **rebate applicants** proof of purchase should detail:
  - The number and cost of cameras purchased
  - Demonstrate that payment was made
  - Verify the applicant as the purchaser
- b) For **voucher applicants** proof of purchase is not required.
- c) For electronically completed applications, proof of purchase should be uploaded directly into the application, prior to submitting.
- d) For physically completed applications, proof of purchase should be mailed to the below address, along with the accompanying application:

*Mayor's Office of Criminal Justice  
Attn: CCTV Rebate and Voucher Program Coordinator  
100 Holliday Street – City Hall  
Baltimore, Maryland 21202*

### 5. Eligibility and Prioritization for Rebate and Voucher Applicants

- a) To be eligible for a **rebate** a property owner or lessee shall:
  - Purchase and install a security camera system on the exterior of a dwelling or small business on or after June 1, 2020
    - (1) Small business is defined as an individual, a partnership, a limited partnership, a limited liability partnership, a limited liability company, or a corporation that is independently owned and operated; is not a subsidiary of another entity; in its most recently completed fiscal year, did not employ in its operations more than 25 individuals
  - Register the system with the CitiWatch Community Partnership; refer to the *Registering with the CitiWatch Community Partnership* section of the Rules and Regulations
  - Submit a rebate application with proof of purchase; refer to *Submitting Rebate Application* section of the Rules and Regulations
- b) To be eligible for a **voucher** a property owner or lessee shall:
  - Submit a voucher application with proof of receipt of public assistance; refer to the *Submitting Voucher Application* section of the Rules and Regulations
  - Provide proof of receipt of public assistance; refer to the *Submitting Voucher Application* section of the Rules and Regulations
  - Small businesses are not eligible for vouchers
- c) To ensure that rebates are disbursed in an equitable manner and in a manner that best serves the City's interest in improving public safety, the City shall **prioritize rebate and voucher recipients** based on:
  - Incidents of violent crime in the vicinity of an applicant's property; with high-crime areas receiving the highest priority; as defined by Council Bill 20-0486; 14-6 (2.I)

## **Rules and Regulations of the Private Security Camera System Rebate and Voucher Program**

- Median household income in the vicinity of an applicant's property; with low-income areas receiving the highest priority; as defined by Council Bill 20-0486; 14-6 (2.II)
  - Whether the applicant has received a rebate or voucher for any property from the City in a prior year; with those having not yet benefited from a rebate or voucher receiving the highest priority
- d) To ensure equitable distribution of rebates and vouchers, from July 1st through September 30th - the first quarter of a fiscal year - the City shall only accept rebate and voucher applications from applicants whose property is located in a priority area as outlined by Council Bill 20-0486; 14-6.
- e) To check prioritization please refer to the Applicant Priority Map at [citiwatch.baltimorecity.gov](http://citiwatch.baltimorecity.gov)
- f) Beginning October 1st, subject to budget appropriation, all properties from throughout the City will be eligible to submit rebate and voucher applications.
- g) To determine prioritization of the applicant's property or small business:
- Visit the Priority Application Map at [citiwatch.baltimorecity.gov](http://citiwatch.baltimorecity.gov)
  - Type the applicant's camera location address into the search bar
  - If the applicant's address is located in any of the blue highlighted areas he/she qualifies as a high-priority applicant and is eligible to submit a rebate/voucher application year-round

### **6. Rules and Regulations Review**

- a) Per the Council Bill 20-0486; Section 14-10, the Director of Finance shall conduct a review of Rules and Regulations every two (2) years from the date of adoption, updating as necessary,
- b) Reviews shall be filed with Legislative Reference.
- c) The first review shall be filed with Legislative Reference by June 1st, 2022.

### **7. Audits and Compliance for Rebate and Voucher Recipients**

- a) Camera checks for proper installation and placement may be available upon request; please contact [help.citiwatch@baltimorecity.gov](mailto:help.citiwatch@baltimorecity.gov) regarding availability of a BPD community officer to assist
- b) BCIT to conduct random audit of rebate and voucher recipients; may be subject to random camera footage audit within two (2) years from payment date
- BCIT may query 30 seconds of footage recorded at a time of the recipients choosing
  - BCIT will provide portal at which video footage can be uploaded for review
- c) In the event that a rebate or voucher recipient is found out of compliance, the Director of Finance shall:
- Notify the recipient by email; such notification to include an explanation of the violation, the application terms and conditions electronically signed by the recipient, and a program flyer.
  - Send up to three notifications of the violation to the recipient.
  - The Director of Finance shall pursue enforcement of the requirements of the Program pursuant to Article 5, Section 14-12 Criminal Penalties.

### **8. Rebate and Voucher Amounts**

- a) **Rebate** amounts and limitations:
- On approval of a rebate application the Director of Finance shall provide a rebate of the lesser of \$150 or the actual cost of the system.
  - The Director of Finance may adjust rebate amounts based on:
    - Whether the residence or small business is located in an area with a high number of incidents of violent crime

## **Rules and Regulations of the Private Security Camera System Rebate and Voucher Program**

- Whether the residence or small business is located in an area where the median household income is at or below 185% of the Federal Poverty Level as measured by the most recent 5-year estimate of the American Communities Survey
- Whether an applicant received a rebate under this program during a prior fiscal year
- Rebate amount limitations:
  - A rebate amount may not exceed the actual cost of the camera system as indicated on the proof-of-purchase submitted with the application
  - The rebate is only for the cost of the camera, including sales tax; installation, accessories, and storage are not covered.
  - Rebate amounts are contingent on the availability of funds and the applicant's priority based on the above outlined criteria.
- b) **Voucher** amounts and limitations:
  - A voucher under this program may not exceed the amount for a rebate claim as described above, and by Council Bill 20-0486, Section 14-6 Rebate Amount.
  - The voucher amount is only for the cost of the camera, including tax, *and installation*; accessories and storage are not covered.
  - Voucher amounts are contingent on the availability of funds and the applicant's priority based on the above outlined criteria.
- c) To determine if an applicant's property or small business is located within a high-priority area:
  - Visit the Priority Application Map at [citiwatch.baltimorecity.gov](http://citiwatch.baltimorecity.gov)
  - Type the applicant's camera location address into the search bar
  - If the applicant's address is located in any of the blue highlighted areas he/she qualifies as a high-priority applicant and is eligible to submit a rebate/voucher application year-round

### **9. Data and Reporting Standards**

- a) Annual Report Data (per legislation):
  - No later than June 30 of each year, the Director of Finance shall prepare and submit a report to the Mayor and City Council detailing data regarding the program from the preceding year, including:
    - (1) Number of rebate and voucher applications received
    - (2) Amount (\$) of rebates disbursed
    - (3) Amount (\$) of vouchers distributed
    - (4) Aggregate data regarding which neighborhoods are applying for rebates and vouchers
    - (5) Aggregate data regarding which neighborhoods are receiving rebates and vouchers
  - Recommended Data for Evaluation:
    - (1) # of rejected vouchers and rebates
    - (2) \$ rebate/voucher requested vs \$ granted
    - (3) # of arrests assisted by voucher/rebate recipient cameras
    - (4) # of BPD queries on rebate/voucher supported cameras
    - (5) Registrant referral source
  - Qualitative Data:
    - (1) Plan to send an e-blast to all the rebate recipients after some period of the program being up and running to ask if they'd like to share their stories about the impact their camera has had

Rules and Regulations of the Private Security Camera System Rebate and Voucher Program

Approved for form and legal sufficiency on this date: 7/23/2020

Signature: Elena DiPietro  
Chief Solicitor

Signature of Authorizing Official: H. Raymond  
Henry J. Raymond  
Director of Finance