



HOWARD COUNTY HISTORIC PROPERTY TAX INCENTIVES: 20.112 TAX CREDIT

The County offers two types of local property tax incentives for work that restores or preserves an eligible historic property, which are defined in Sections 20.112 and 20.113 of the County Code. The most commonly used credit is the 20.112 tax credit, which provides a tax credit equal to 25% of the cost of eligible work. This type of tax credit may be applied to projects costing \$500 or more.

This tax incentive may be applied to eligible historic sites throughout Howard County as well as to properties in the local historic districts. The Commission must review an application submitted by the property owner **before** any work is performed and find that:

1. The structure is eligible for the tax credit.
2. The work to be performed is eligible.
3. The work will be done in accordance with the Commission's adopted design guidelines to preserve or restore the structure's historic or architectural character.

After the work is complete, the Commission must find that the invoices and receipts submitted in the Final Tax Credit Application are for qualified work and that the work was done in accordance with the pre-approval.

Properties Eligible for 20.112 Historic Property Tax Credits

Eligible properties include:

1. A structure that is listed on the Howard County Historic Sites Inventory and is designated by the Commission as historically significant.
2. A structure eligible for inclusion in the Howard County Historic Sites Inventory, which is added to the Inventory prior to the final approval of a Certificate of Eligibility.
3. An existing principal structure or historic outbuilding located within a local historic district in Howard County, which is determined by the Commission to be of historic or architectural significance, or to be architecturally compatible with the historic structures in the district.
4. A landscape feature located within a local historic district or listed on the Historic Sites Inventory, which is determined by the Commission to be of historic or architectural significance.
5. A cemetery, at least 50 years old, not operated as a business, which is listed on the Howard County Cemetery Inventory under section 16.1303 of the County Code.

Type of Work Eligible for 20.112 Tax Credit

Eligible work includes:

1. The repair or replacement of exterior features of the structure.
2. Work that is necessary to maintain the physical integrity of the structure with regard to safety, durability, or weatherproofing.
3. Maintenance of the exterior of the structure, including routine maintenance as defined in Section 16.601 of the County Code.
4. Repair or replacement of historic landscape features such as masonry walls, fences, or other site features, if determined to be of historic or architectural significance by the Commission.
5. Repair or maintenance of existing gravestones, walls, fencing, or other site features of an eligible property that is a historic cemetery.

Work that is not eligible includes:

1. New construction or additions to existing structures.
2. Interior work that is not necessary to maintain the structural integrity of the building.
3. Landscape maintenance or new landscaping.

Qualified Expenses Eligible for 20.112 Tax Credit

Qualified expenses include:

1. The amount of money paid by the owner of an eligible property to a licensed contractor, architect, engineer or historic preservation consultant for eligible work, or for materials used to do eligible work.
2. In order to be eligible for this tax credit, qualified expenses must be \$500.00 or greater.

The Application Process

Historic Preservation Commission Tax Credit Pre-Approval

1. The applicant must complete an Application for Certificate of Eligibility for Tax Credit Pre-Approval. If the work affects the exterior appearance of a building in a historic district, you will also need to complete an Application for Certificate of Approval, or you may use the Combined Application. The application must describe the work to be done and be accompanied by color photographs, samples, paint chips, manufacturer's literature or any other material necessary for the Commission to properly review the application.
2. In order to meet legal advertising requirements, application(s) must be submitted to the Department of Planning and Zoning by the close of business on the Wednesday 22 days before the scheduled Commission meeting. A schedule of meeting dates and application deadlines can be found on the County website.
3. Staff reviews the application, works with the Applicant to refine the application (if necessary), publicizes the request in the required legal advertisement and prepares the Commission meeting agenda which includes the staff report describing the work and a recommended course of action based on the guidelines the Commission uses to determine its cases.

4. The Commission generally holds its monthly hearing on the first Thursday evening of the month, but the final meeting schedules are posted on the County website. At the meeting, Staff presents the work proposed in the application and the Staff recommendation. The Applicant(s) may then testify. General public comments are then taken if anyone signs up to testify. If the Commission finds that the structure qualifies as an eligible property and that the work qualifies as eligible work, the Commission will pre-approve the tax credit application.
5. For applications that are pre-approved, Staff prepares a written approval, outlining the pre-approved work, which is signed by the Chairperson and the Executive Secretary at the following month's Commission meeting. The pre-approval is then mailed to the Applicant.

Pre-Approved Work is Done

1. The applicant obtains building permits for approved work, if required, and performs work in accordance with the pre-approved application. Any deviation from the pre-approval requires new approval by the Commission. Only work pre-approved is eligible for tax credits.
2. The work may not deviate from that approved by the Commission unless the changes are approved by the Commission prior to making any such changes.

Historic Preservation Commission Tax Credit Final Approval

1. The applicant must submit a Final Tax Credit Application to the Department of Planning and Zoning for approval of the tax credits. Submittal deadlines, procedures and meeting schedules are the same as described above for tax credit pre-approval.
2. Staff may visit the site to inspect work in order to report to the Commission whether the work was performed in accordance with the pre-approval.
3. At the Commission hearing, Staff presents the Staff report and recommends for the work. The Commission then votes whether the work was performed as pre-approved, and if so, authorizes a property tax credit of 25% of the cost of the eligible work.
4. Staff completes a final approval Certificate of Eligibility form for signature by the Chairperson and the Executive Secretary at the following month's Commission meeting. One copy is mailed to the Applicant and one copy is forwarded to the Office of Finance. The tax credit will appear as a deduction on the following years property tax bill.

Non-Complying Work

Work not done in accordance with the Commission's pre-approval will not qualify for a tax credit. If the structure is within a historic district and the work also required a Certificate of Approval, the property owner may be required to alter the work in accordance with the historic district guidelines.

Application Information

If a property is located in a historic district, the tax credit application must be submitted with an Application for Certificate of Approval if any alterations are proposed. Properties that are only listed on the Historic Sites Inventory require the Tax Credit application and do not need a Certificate of Approval application. Applications for Certificate of Approval and Certificate of Eligibility for Historic Preservation Tax Credit are made through the Department of Planning and Zoning.

For more information contact:

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Additional information is available on the Planning and Zoning website:

Historic Preservation Page: www.howardcountymd.gov/Departments/Planning-and-Zoning/Conservation-and-Preservation/Historic

Commission page: www.howardcountymd.gov/Departments/Planning-and-Zoning/Boards-and-Commissions/Historic-Preservation-Commission

The Howard County Department of Planning and Zoning Customer Service Center is located at:

1st Floor George Howard Building
3430 Court House Drive
Ellicott City, MD 21043
410.313.2350
FAX 410.313.3467
TTY 410.313.2323

Written inquiries may also be sent to our office at:

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Historic Preservation Commission
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