

# Prince George's County Council

## Agenda Item Summary

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**Meeting Date:** 10/26/2010  
**Reference No.:** CB-061-2010  
**Draft No.:** 2  
**Proposer(s):** Turner  
**Sponsor(s):** Turner, Knotts, Dernoga  
**Item Title:** An Act concerning High Performance Building Tax Credit for the purpose of establishing a tax credit for real property meeting certain Leadership in Energy and Environmental Design (LEED) green building rating system certifications

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**Drafter:** Todd M. Turner, Legislative Officer  
**Resource Personnel:** Tomeka Bumbry, Legislative Aide

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### LEGISLATIVE HISTORY:

<b>Date Presented:</b>	7/13/2010	<b>Executive Action:</b>	11/15/2010 S
<b>Committee Referral:</b>	7/13/2010 - PSFM	<b>Effective Date:</b>	1/3/2011

**Committee Action:** 9/22/2010 - FAV(A)

**Date Introduced:** 9/28/2010  
**Public Hearing:** 10/26/2010 - 10:00 AM

**Council Action (1)** 10/26/2010 - ENACTED  
**Council Votes:** MB:A, WC:A, SHD:A, TD:A, CE:-, AH:A, TK:-, EO:A, IT:A  
**Pass/Fail:** P  
**Remarks:**

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### AFFECTED CODE SECTIONS:

10-235.19

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### COMMITTEE REPORTS:

#### Public Safety and Fiscal Management

**Date 9/22/2010**

COMMITTEE VOTE: FAVORABLE AS AMENDED 4-0 (In Favor: Council Members Exum, Dean, Harrison, and Turner)

This bill will establish a tax credit for real property meeting certain Leadership in Energy and Environmental Design (LEED) green building rating system certifications as adopted by the Maryland Green Building Council.

A. The tax credit for LEED – NC (new construction) and LEED-CS (core and shell) high performance buildings, will be for five (5) years at the following ratings and amounts:

1. LEED certified silver - 25%
2. LEED certified gold - 50%
3. LEED certified platinum - 75%

B. The tax credit for LEED –EB (existing buildings) high performance buildings will be for three (3) years at the

following ratings and amounts:

1. LEED certified silver - 10%
2. LEED certified gold - 25%
3. LEED certified platinum - 50%

The maximum total tax credits for LEED high performance buildings cannot exceed \$5,000,000 in any fiscal year. The application must be submitted within two (2) years of the LEED certification determination.

According to the Office of Audits and Investigations several counties in Maryland have adopted LEED high performance building tax credits. Baltimore County (started in 2006), Howard County (started in 2008) and Montgomery County (started in 2008). All three counties reported a very limited utilization of tax credits.

This bill was amended by adding the following:

1. On page 3, line 19

(j) The Director of Finance shall provide an annual report to the County Council on the high performance building real property tax credit on or before December 31st of each year for the previous fiscal year, to include:

- (1) the number of application received;
- (2) the number of application denied;
- (3) the amount of tax credits approved; and
- (4) the location by Councilmanic district of the number of applications received, denied and the amount of tax credit approved.

The Office of Law has reviewed this bill and finds it to be in proper legislative form with no legal impediments to its enactment.

The enactment of CB-61-2010 will not have a negative fiscal impact on the County. There will be a negative fiscal impact on the County when the tax credit program is highly utilized. Based on the experience of the three counties aforementioned, the utilization of the tax credit program may take a period of time before it is widely used.

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**BACKGROUND INFORMATION/FISCAL IMPACT:**

(Includes reason for proposal, as well as any unique statutory requirements)

This bill would create a tax credit for real property for high performance buildings, pursuant Section 9-242 of the Tax-Property Article of the Annotated Code of Maryland, as a means of providing energy efficient and green buildings use in the County.

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**CODE INDEX TOPICS:**

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**INCLUSION FILES:**

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