

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

2022 Legislative Session

Bill No. CB-057-2022

Chapter No. 60

Proposed and Presented by Council Members Franklin, Hawkins, Glaros, Medlock,
Streeter, and Taveras

Introduced by Council Members Franklin, Hawkins, Glaros, Medlock, Streeter, Taveras,
Turner, and Harrison

Co-Sponsors _____

Date of Introduction September 27, 2022

BILL

1 AN ACT concerning

2 Revitalization Tax Credits for Major Transit-Oriented Development Projects

3 For the purpose of establishing a revitalization tax credit and tax credit district for Major Transit-
4 Oriented Development Projects.

5 BY repealing and reenacting with amendments:

6 SUBTITLE 10. FINANCE AND TAXATION.

7 Sections 10-235.02 and 10-235.03

8 The Prince George's County Code

9 (2019 Edition; 2021 Supplement).

10 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
11 Maryland, that Sections 10-235.02 and 10-235.03 of the Prince George's County Code be and the
12 same are hereby repealed and reenacted with the following amendments:

13 SUBTITLE 10. FINANCE AND TAXATION.

14 DIVISION 8. TAX ASSESSMENT, LEVY, AND COLLECTION.

15 SUBDIVISION 5B. REVITALIZATION TAX CREDITS.

16 **Sec. 10-235.02. Tax credits for redevelopment and revitalization; district established.**

17 (a) Upon the recommendation of the County Executive, or on its own initiative, the County
18 Council may establish, by ordinance, one or more Revitalization Tax Credit Districts.

19 (b) In establishing a Revitalization Tax Credit District, consideration shall be given to factors

1 related to community redevelopment and business revitalization, such as, but not limited to:
 2 median household income, the residential density of the area, land use in the area, economic
 3 factors, and unemployment rates.

4 (c) All property located within a Revitalization Tax Credit District shall be eligible for the
 5 redevelopment/revitalization tax credit as set forth in this Section.

6 (d) There shall be allowed a tax credit on eligible County real property taxes based upon the
 7 value of the following eligible improvements requiring a County building permit:

8 (1) The construction, reconstruction, or extension of nonresidential structures;

9 (2) The reconstruction or extension of existing residential structures;

10 (3) The construction or reconstruction of new single-family residential structures that are
 11 built on lots on which a residential structure has been razed or demolished within the prior five
 12 (5) years, or on vacant lots between adjacent lots with single-family residential structures; [and]

13 (4) New construction in developments of less than ten (10) one-family dwellings, as set
 14 forth in the plan of subdivision; and

15 (5) The construction, reconstruction, or extension of new or existing nonresidential or
 16 residential structures within a Major Transit-Oriented Development Project, subject to the
 17 requirements of this Paragraph (Section 10-235.02(d)(5)).

18 (A) **Major Transit-Oriented Development Project (“MTOD Project”)** means, in
 19 this Subdivision, property shown on an approved Detailed Site Plan or an approved Building
 20 Permit Site Plan as located all or in part within a one-half mile radius of a constructed (or
 21 approved to be constructed) Washington Metropolitan Area Transit Authority (WMATA)
 22 Metrorail station, light rail transit (LRT) or bus rapid transit (BRT) station, or Maryland Area
 23 Regional Commuter (MARC) train station, as measured from the center of the transit station
 24 platform, and either:

25 (i) is a **High Value Transit-Oriented Development Project (hereinafter “High**
 26 **Value TOD Project”)** which, in this Subdivision, means property shown on an approved
 27 Detailed Site Plan or Building Permit Site Plan as being developed for multi-story building(s),
 28 excluding warehouse, distribution, and storage facilities,

29 (a) in which at least 50% of the total building square footage is

30 (1) at least 6 stories in height or

31 (2) at least 72 feet above grade and

1 (b) which contains a mix of uses within the project; or

2 (ii) is a **Fortune 1000 Company Project**, which, in this Subdivision, means
3 property shown on an approved Detailed Site Plan or Building Permit Site Plan as being
4 developed for multi-story building(s) to be occupied by the corporate headquarters or regional
5 headquarters of a Fortune 1000 Company provided that the building(s)

6 (a) is/are subject to either

7 (1) an executed contract for ownership by the Fortune 1000 Company or

8 (2) an executed lease with the Fortune 1000 Company with a term of not
9 less than 10 years,

10 (b) have a total density of a minimum of one hundred thousand (100,000)
11 square feet, and

12 (c) exclude buildings or structures used for warehouse, distribution, and/or
13 storage facilities.

14 (iii) Definitions. In this Subdivision

15 (a) **Detailed Site Plan** has the meaning set forth in Subtitle 27 of the Code,

16 (b) **Building Permit Site Plan** means a site plan for constructing buildings
17 and structures submitted as a part of a building permit application, and

18 (c) **Fortune 1000 Company** means one of the one thousand (1000) largest
19 companies in the United States, as ranked by annual revenues, in one of the most recent three
20 calendar years.

21 **(B) Supplier Diversity and Equity Required for MTOD Projects.** An MTOD
22 Project, excluding a Fortune 1000 Company Project, shall fully comply with the requirements of
23 an approved Supplier Diversity and Equity Plan in accordance with Section 10-335 of the Code
24 to be eligible to be awarded a tax credit authorized by this Paragraph.

25 (i) Compliance and Enforcement.

26 (a) The County MBE Compliance Manager shall coordinate with the Director
27 of Finance, who shall include the precondition of an approved Supplier Diversity and Equity
28 Plan, if applicable, in the tax credit application process set forth in Section 10-235.02(h) of the
29 Code for MTOD Projects applying for a tax credit award under this Paragraph (“MTOD Project
30 Revitalization Tax Credit Application”).

1 **(b) Certification of Compliance.** The County MBE Compliance Manager
 2 shall certify in writing to the Director of Finance, in consultation with the Supplier Development
 3 and Diversity Division, that a project has fully complied with Section 10-235.02(d)(5) prior to
 4 the Director of Finance’s approval of a MTOD Project Revitalization Tax Credit Application and
 5 authorization of remittance of the tax credit authorized under this Paragraph.

6 **(c) Failure to comply with an approved Supplier Diversity and Equity Plan or**
 7 any other provision of Section 10-235.02(d)(5) may result in a restoration, or clawback, of an
 8 amount up to the equivalent value of any tax credit proceeds already received by the entity
 9 receiving the tax credit, as determined by resolution of the County Council with concurrence of
 10 the County Executive.

11 **(C) Prospective, Nonretroactive Effect of Incentives for MTOD Projects.**

12 **(i) The tax credit authorized by this Paragraph applies to eligible improvements**
 13 for MTOD Projects prospectively and not retroactively. Only improvements commenced and
 14 completed subject to and after the approval of a Detailed Site Plan (a new Detailed Site Plan
 15 and/or new amendment(s) to an existing Detailed Site Plan), Building Permit Site Plan (a new
 16 and/or amended Building Permit Site Plan), and a Supplier Diversity and Equity Plan, if
 17 applicable, approved in accordance with this Paragraph, are eligible improvements to receive a
 18 tax credit authorized by this Paragraph.

19 **(ii) Amendments to An Existing Detailed Site Plan or Building Permit Site Plan.**
 20 Improvements completed pursuant and subsequent to a new amendment(s) of an existing
 21 Detailed Site Plan or Building Permit Site Plan are eligible improvements within an MTOD
 22 Project authorized under this Paragraph only if

23 **(a) the amended Detailed Site Plan or amended Building Permit Site Plan**
 24 meets the requirements of a High Value TOD Project or Fortune 1000 Company Project, as
 25 prescribed under this Paragraph, and

26 **(b) such improvements are commenced and completed after the approval of a**
 27 Supplier Diversity and Equity Plan, if applicable.

28 **(D) Order of Approvals.**

29 **The order of approvals for eligible improvements within an MTOD Project to be**
 30 awarded a tax credit in accordance with this Paragraph are as follows:

1 (i) Detailed Site Plan (new or amended) or Building Permit Site Plan (new or
 2 amended);

3 (ii) Supplier Diversity and Equity Plan, if applicable; and

4 (iii) MTOD Project Revitalization Tax Credit Application (after the completion
 5 and assessment of the eligible improvements, which shall be approved by the Director of Finance
 6 if the project complies with the requirements of 10-235.02(d)(5)).

7 (e) Excluding projects subject to Section 10-235.02(d)(5), [N]new construction in
 8 developments of ten (10) or more one-family dwellings, as set forth in the plan of subdivision, or
 9 new multifamily units may be eligible for the tax credit upon resolution of the County Council.
 10 Consideration shall be given to the factors related to community redevelopment and business
 11 revitalization set forth in Subsection (b), above.

12 (f) Except for projects subject to Section 10-235.02(d)(5), [E]eligible improvements may be
 13 limited in the ordinance establishing each district.

14 (g) Unless provided otherwise in the ordinance establishing a district:

15 (1) Except for projects subject to Paragraph (3), below, [For] for nonresidential
 16 improvements, for the first tax year immediately following the year in which the improvements
 17 are completed and assessed, the tax credit shall be in an amount equal to 100% of the amount of
 18 the County property tax imposed on the increased assessment attributable to the improvements as
 19 determined by the Supervisor of Assessments. The tax credit shall be reduced to 80% in the
 20 subsequent tax year, 60% in the third year, 40% in the fourth year, and 20% in the fifth year. A
 21 property tax credit granted hereunder for nonresidential improvements may not be granted for
 22 more than five (5) consecutive years. The total value of the tax credit over five (5) years may not
 23 exceed an amount equal to 100% of the costs of eligible improvements.

24 (2) Except for projects subject to Paragraph (3), below, [For] for residential
 25 improvements, for the first tax year immediately following the year in which the improvements
 26 are completed and assessed, the tax credit shall be in an amount equal to 100% of the amount of
 27 the County property tax imposed on the increased assessment attributable to the improvements as
 28 determined by the Supervisor of Assessments. The tax credit shall be reduced to 66% in the
 29 subsequent tax year, and 33% in the third year. A property tax credit granted hereunder for
 30 residential improvements may not be granted for more than three (3) consecutive years. The total
 31 value of the tax credit over three (3) years may not exceed an amount equal to 100% of the costs

1 of eligible improvements. For residential improvements, the maximum amount of eligible
2 improvements shall be \$200,000 per dwelling unit.

3 (3) For nonresidential or residential improvements within an MTOD Project, for the first
4 five (5) tax years immediately following the year in which the respective improvements are
5 completed and assessed, the tax credit shall be in an amount equal to one-hundred percent
6 (100%) of the amount of the County property tax imposed on the increased assessment
7 attributable to the improvements as determined by the Supervisor of Assessments. A property
8 tax credit granted hereunder may not be granted for more than five (5) consecutive tax years after
9 the respective improvements are completed and assessed. A phased project may have
10 improvements that are completed and assessed at different times, which means the 5-year clock
11 for a particular phase would start at the time that phase has been completed and assessed
12 irrespective of the timing of completion and assessment of another phase, which would have its
13 own 5-year start times upon assessment. Nonresidential or residential improvements within an
14 MTOD Project shall only be eligible for a tax credit under this Paragraph if commenced and
15 completed after the approval of a Detailed Site Plan (new or amended) or Building Permit Site
16 Plan (new or amended) in accordance with Section 10-235.02(d)(5) and after the approval of a
17 Supplier Diversity and Equity Plan, if applicable. County property tax amounts obligated,
18 exempted, or credited pursuant to tax increment financing (TIF), payment in-lieu of taxes
19 (PILOT), or other tax credits, exemptions, and incentives shall not be eligible for tax credit
20 award under this Paragraph (Section 10-235.02(d)(5)).

21 (h) Application for the tax credit established herein shall be made under oath on an
22 application provided by the Director of Finance. The application shall provide a legal description
23 of the property, proof of a properly issued use and occupancy permit applicable to the eligible
24 improvements, and such other information or documentation as the Director may require, to
25 determine whether the applicant can qualify for the tax credit. Information pertaining to the
26 revitalization tax credit shall be provided on the County website in a user-friendly format for
27 applicants to access the revitalization tax credit information and understand how it can be used.

28 **Sec. 10-235.03. Revitalization Tax Credit District; established.**

29 * * * * *

30 (c) The property within an MTOD Project is hereby established as a Revitalization Tax
31 Credit District upon

1 (A) approval of either a Detailed Site Plan (a new Detailed Site Plan or new
2 amendment(s) to an existing Detailed Site Plan) or a Building Permit Site Plan (a new Building
3 Permit Site Plan or new amendment(s) to an existing Building Permit Site Plan) that meets the
4 requirements of Sections 10-235.02(d)(5)(A) and 10-235.02(d)(5)(C), the boundaries of which
5 shall be the boundaries of the Revitalization Tax Credit District, and,

6 (B) for High Value TOD Projects, approval of a Supplier Diversity and Equity Plan in
7 accordance with Section 10-235.02(d)(5)(B).

8 * * * * * * * * *

9 SECTION 2. BE IT FURTHER ENACTED that the County Executive is authorized to
10 promulgate regulations consistent with this Act to implement and clarify the provisions of the
11 Act, subject to approval of the same by Council resolution.

12 SECTION 3. BE IT FURTHER ENACTED that the provisions of this Act are hereby
13 declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph,
14 sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of
15 competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining
16 words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this
17 Act, since the same would have been enacted without the incorporation in this Act of any such
18 invalid or unconstitutional word, phrase, clause, sentence, paragraph, subparagraph, subsection,
19 or section.

20 SECTION 4. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)
21 calendar days after it becomes law.

Adopted this 24th day of October, 2022.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Calvin S. Hawkins, II
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Angela D. Alsobrooks
County Executive

KEY:

Underscoring indicates language added to existing law.

[Brackets] indicate language deleted from existing law.

Asterisks *** indicate intervening existing Code provisions that remain unchanged.

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