

CHAPTER 2A

HISTORIC PRESERVATION TAX CREDITS

§ 2A-101. Historic/Architectural Preservation Tax Credit

A. Property Tax Credit for Restoration and Preservation of Historically Significant Structures. Under the authority of *Annotated Code of Maryland*, Tax-Property Article, Section 9-204, as amended, there is a tax credit against City real property taxes of ten percent (10%) of the properly documented expenses of a private owner taxpayer for the restoration and preservation of a structure with historic value within the City of Mount Rainier.

B. Eligibility for Historic Preservation Tax Credit. Eligibility for the City historic preservation tax credit is determined as follows.

Projects With Certification From The Maryland Historical Trust. If the project has been certified as complete for purposes of the Heritage Preservation Tax Credit Program, the taxpayer must provide the City Manager with the final certification letter from the Heritage Preservation Tax Credit Program, administered by the Maryland Historical Trust. The certification letter will provide the approved state tax credit amount that can be used to calculate the city tax credit. To be eligible for the City tax credit under this section, the state certification letter must be provided to the City Manager within 90 days of the date of the letter.

C. Use of Historic Preservation Tax Credit.

1. The amount of the City historic preservation tax credit is ten percent (10%) of the taxpayer's properly documented expenses for the approved project.
2. The tax credit applies to the next tax year after the year in which the project is completed and final approval of the tax credit is granted by the City Manager. Any unused tax credit may be carried forward to as many as five subsequent tax years. If the taxpayer transfers or conveys the property, then any unused tax credit lapses.
3. A taxpayer who receives final approval for the City historic preservation tax credit by May 1 will receive the tax credit directly on his or her tax bill. If a tax bill is paid before the City historic preservation tax credit is applied to the tax bill, then the City will issue the taxpayer a refund check for the amount of the City historic preservation tax credit for that tax year.

D. Restrictions on Future Alterations; Penalties.

1. A taxpayer who receives a City historic preservation tax credit must sign a statement agreeing not to alter the exterior of the structure with historic value for a period of five years after the year in which the project is completed and final approval of the tax credit is granted without obtaining prior approval from the City Manager. Unacceptable alternations to the exterior of a structure during such five year period will result in the cancellation of the remaining amount of the historic preservation tax credit and a lien on the property to recover the value of the historic preservation tax credit already received by the taxpayer. Normal maintenance, repairs, repainting, and in-kind replacement of materials are not subject to this restriction and do not require prior approval from the City Manager.
2. A taxpayer who owes the City any taxes, license or permit fees, fines, charges or liens may not receive a City historic preservation tax credit until all such taxes, fees, fines, charges, liens have been paid and satisfied.
3. A person must not knowingly file a false or fraudulent application to obtain a City historic preservation tax credit or submit false or fraudulent documentation of expenses. A violation of this provision is a municipal infraction with a fine of \$500.00.
4. In addition, a tax payer who violates any provision of this Section 2A-101 must pay the City any taxes and interest offset by the City historic preservation tax credit and the City's attorney's fees and cost in any action to enforce this section.

E. Tax Credit for Architecturally Compatible Windows and Exterior Doors

1. Homeowners who replace existing windows or exterior doors, or install new windows or exterior doors are eligible for the 10 percent city tax credit if the windows/exterior doors are deemed historically and/or architecturally compatible with the style and period of a house that has historical or architectural value. The project requires prior approval from the City Manager. Once a project with prior approval has been completed, the applicant will submit "properly documented expenses" to the City Manager for the final approval of the project. The City Manager may inspect the completed project or ask the Design Review Board to inspect the completed project.
 2. For prior approval of a project, the taxpayer must submit an application for the preservation tax credit to the City Manager before work has begun. The City Manager will forward the application for review to the Design Review Board or to the Prince George's County Historic Preservation Section. The City Manager will make his or her decision to approve, disapprove, or ask for modifications to the project, for purposes of the City preservation tax credit, based on the comments from the review.

3. If the Design Review Board is inactive, has fewer than three appointed members, or fails to complete its review of a project that requires prior approval within 60 days of the date the application was filed with the City Manager, then the City Manager will seek review from the Prince George's County Historic Preservation Section.

4. When reviewing a window or exterior door project, the Design Review Board will use the process outlined in *Mount Rainier Code*, Sec. 4-104. In lieu of conducting its own review, the Design Review Board may ask the City Manager to forward an application for a project which requires prior approval to the Prince George's County Historic Preservation Section.

5. For projects, "properly documented expenses" would include itemized receipts (materials and contract labor), a listing of the receipts with total cost amount indicated, photographs of the project before and after completion, copies of any required City building permits, and an oath or affirmation by the taxpayer that the project qualifies for the preservation tax credit, and the taxpayer has paid for the work. The value of labor provided by the owner of the structure cannot be included as a documented expense. The City Manager will adopt forms as necessary for the tax credit application and proper documentation of expenses.

6. In homes that have been determined to be contributing resources to the Mount Rainier National Register Historic District, the windows/exterior doors will not qualify for the city preservation tax credit if other alterations to the house have or will disqualify the home as a contributing resource to the Mount Rainier National Register Historic District.

7. The restrictions listed in Subsection D are applicable to this subsection.

8. The city's Design Review Board will create written guidance on how it will determine if windows/exterior doors are historically and/or architecturally compatible and acceptable for purposes of the city preservation tax credit.

9. The homeowner is not eligible for the city preservation tax credit for windows/exterior doors, if the homeowner has already included the windows in a project approved by the Maryland Historical Trust and the homeowner will receive or has received a city preservation tax credit for the MHT approved project.

10. Structure with architectural value. This includes: (i) a structure with architectural value, but that does not meet the age requirements of the Mount Rainier National Register Historic District; (ii) a structure that has been so altered as to fail the test as a contributing resource to the Mount Rainier National Register Historic District, but which through sensitive restoration might recapture the architectural value previously lost; and (iii) a structure outside of the Mount Rainier National Register Historic District boundaries, but within the City limits that has architectural value. Structures with architectural value would include those that are representative of a

recognized style and retain a significant amount of exterior features to remain representative of that style.

11. Structure with historic value. Structures designated as contributing resources to the Mount Rainier National Register Historic District and/or designated as local historic sites by Prince George's County.

12. Failure to obtain approval from the City Manager prior to purchase of the windows or doors (as determined by the date on the sales receipt) will make the project ineligible for the city tax credit.

13. Windows and exterior doors are defined to include storm windows and storm doors. The tax credit is available for installation or repair of storm windows and doors that have been approved using the same criteria as for windows and exterior doors.

14. To be eligible for the tax credit, the taxpayer must maintain a principal residence in the City of Mount Rainier at the time that the city issues the tax credit.