

Introduced and Read: April 2, 2019
Amended: April 2, 2019
Second Reading and Adoption: May 7, 2019

CITY OF MOUNT RAINIER, MARYLAND

ORDINANCE NO. 04-2019

Drafted by: City Attorney and City Treasurer

Introduced by: Shivali Shah

Amending Chapter 2, Assessments and Taxation and Fees, of the *Mount Rainier Code* to Facilitate the Sale of Vacant Developed Properties and Amending Chapter 3B to Temporarily Exclude Properties that Become Vacant because of the Death of an Owner-Occupant or a Disaster from the Application of the Vacant Developed Property Tax Rate and Registration Requirement

WHEREAS, on March 7, 2017, the Council adopted Ordinance 01-2017, revising the City's policies and procedures regarding vacant buildings and establishing a municipal tax rate for vacant developed property; and

WHEREAS, the purpose of the vacant developed property tax was to encourage property owners to sell, lease or occupy vacant properties to prevent neighborhood blight; and

WHEREAS, the vacant developed property tax has proven effective at encouraging the sale of vacant properties; and

WHEREAS, the applicability of the vacant developed property tax rate to properties at the time of sale has interfered with the ability of potential purchasers to obtain financing because it creates the appearance that a property will remain subject to the increased tax rate when it is transferred to the purchaser; and

WHEREAS, the Council wishes to facilitate and streamline the sale of vacant developed properties to new owners; and

WHEREAS, the City does not wish to impose the vacant developed property tax upon properties that are temporarily vacant because of the death of the owner or because a fire, flood or natural disaster has rendered the property uninhabitable.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MOUNT RAINIER, MARYLAND, that Chapter 2, Assessments and Taxation and Fees, and Chapter 3B, Vacant Buildings and Vacant Lot Registration of the *Mount Rainier Code* are amended as follows:

Section 2-108. Vacant developed real property tax.

- A. The definitions prescribed in Section 3B-104 shall apply to this Section.
- B. The municipal tax rate for vacant developed property shall be the amount established by the Ordinance setting the tax rate for that fiscal year on assessments of property subject to municipal property tax.
- C. A lot or parcel shall be subject to the vacant developed property tax rate if it has a building that is registered or designated by the City Manager as a vacant building in accordance with Chapter 3B.
- D. For mixed-use commercial and residential properties with a vacant commercial portion, the vacant developed property tax rate shall apply only to the assessed value of the improved area containing the vacant commercial portion, which shall be determined by multiplying the total assessed value of the improvements by the percentage of the improved area consisting of the vacant commercial portion.
- E. The vacant developed property tax rate shall not apply to a lot or parcel with a vacant utilitarian building if the property also has an occupied building that has an above-grade area equal to or greater than that of the utilitarian building.
- F. Vacant developed property shall not be subject to the vacant developed property tax rate when it is under active construction or undergoing active rehabilitation, renovation, or repair, and there is a valid building permit to make the building fit for occupancy. The exemption from the vacant developed property tax rate under this paragraph shall not exceed a total of two years while the property remains under the ownership of one person or related persons.
- G. The City Manager shall transmit to the Prince George's County tax assessor a list of properties subject to the vacant developed property tax by May 1 of each year, and the vacant developed property tax rate will be levied upon the properties the following fiscal year.
- H. When a property becomes occupied or exempt from the vacant developed property tax rate pursuant to Subsection F, the owner shall notify the City Manager in the manner as may be prescribed by regulation. If the request for termination of the vacant developed property tax rate is approved, the termination shall be effective the following fiscal year.
- I. If the vacant developed property tax rate is paid on a property because of an error on the part of the City, the municipal property tax paid in excess of the taxes due under the regular municipal rate shall be refunded. Refunds pursuant to this subsection shall not exceed the value of the excess payment for a period of one year.
- J. The City Manager will, upon request, provide written notice to the lenders for prospective purchasers of vacant developed property that the property will not be subject to the vacant

developed property tax rate commencing the following fiscal year if the property is occupied or satisfies the requirements of subsection E.

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**CHAPTER 3B
VACANT BUILDINGS AND VACANT LOT REGISTRATION**

Section 3B-103. Definitions

In this Chapter, the definitions in The BOCA National Property Maintenance Code/1996 shall apply, with the following exceptions:

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G. **Vacant developed property** means a lot or parcel of land that has a vacant building except as provided in Section 3B-107.

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Section 3B-104. Vacant Buildings

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N. Designation of vacant buildings.

1. Notice of vacancy designation and right to appeal. The City Manager shall identify nonregistered vacant buildings. The owner shall be notified that the owner's building has been designated as a vacant building, that the property will be subject to the vacant developed property tax rate under Section 2-108, if applicable, and of the owner's right to appeal the vacancy designation. The notice shall advise the owner of the availability of exceptions to the registration requirement and vacant developed tax rate under Section 3B-107.

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Section 3B-107. Exceptions.

A. Temporary exception for death of owner-occupant.

1. A residential property that becomes vacant as a result of the death of an owner of the property who resided at the property or for whom the property was their domicile at the time of their death shall not constitute a vacant developed property for a period of two years after the date of death.
2. To qualify for this exemption, a representative of the estate of the deceased must provide the City Manager with a copy of the death certificate and proof that, on the date of death, the deceased resided at the property or the property was their domicile.

3. Domicile means the place where a person has his or her true, fixed, permanent home, habitation and principal establishment, without any present intention of removing therefrom, and to which place he or she has the intent to return when absent.

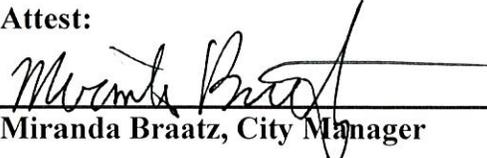
B. Temporary exception for accidental damage.

1. An occupied residential property that becomes uninhabitable as a result of a fire or flood, unless intentionally caused by the owner or his or her agent, or a natural disaster, shall not constitute a vacant developed property for a period of two years after the incident that caused the property to become uninhabitable.

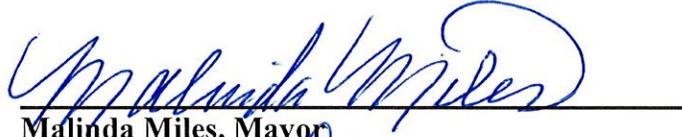
2. To qualify for this exemption, the owner must provide satisfactory proof to the City Manager that the property is uninhabitable as a result of a fire, flood, or natural disaster, and the date the fire, flood, or natural disaster occurred. Examples of records that may constitute satisfactory proof include, but are not limited to, police and fire reports, insurance company correspondence and claim documentation, news and weather reports, photographs, videos, and code enforcement inspection records.

THIS ORDINANCE IS ADOPTED BY THE COUNCIL OF THE CITY OF MOUNT RAINIER THIS 7th DAY OF MAY, 2019.

Attest:



Miranda Braatz, City Manager



Malinda Miles, Mayor



Luke Chesek, Councilmember Ward 1



Celina Benitez, Councilmember Ward 1



Bryan Knedler, Councilmember Ward 2



Shivali Shah, Councilmember Ward 2