

COUNCIL OF THE TOWN OF INDIAN HEAD

Ordinance No. 05-01-12

Introduced By: Mayor and Council
Date Introduced: May 7, 2012
Date Adopted: June 4, 2012
Date Effective: July 1, 2012

AN ORDINANCE concerning

Property Tax Credits – Business Improvement Incentive Tax credit

FOR the purpose of providing for a credit against Town of Indian Head real property taxes to the owner(s) of certain renovated or rehabilitated business property located within the Town of Indian Head; setting forth the purpose, scope, limitation and calculation of the tax credit; defining certain terms; and all matters generally related to the provision of a business improvement incentive tax credit in the Town of Indian Head.

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BY Adding
Chapter 126 Taxation
Article IV, Business Improvement Incentive Tax Credit
Sections 126-4 through 126-8
Code of the Town of Indian Head
(1990 Edition as amended)

WHEREAS, the Town Council has determined that it is in the general interest of the Town of Indian Head to provide for a Business Improvement Incentive Tax Credit based on certain criteria; now, therefore,

SECTION 1. BE IT ENACTED BY THE COUNCIL OF THE TOWN OF INDIAN HEAD, That Article IV, Business Improvement Incentive Tax Credit, consisting of Sections 126-4 through 126-8, inclusive, is hereby added to the Code of the Town of Indian Head (1990 Edition as amended), to follow immediately after Section 126-3 of Article III thereof and to read as follows:

CHAPTER 126 – TAXATION

ARTICLE IV. BUSINESS IMPROVEMENT INCENTIVE TAX CREDIT

126-4 PURPOSE.

THE PURPOSE OF THIS ARTICLE IS TO PROVIDE A CREDIT AGAINST TOWN OF INDIAN HEAD REAL PROPERTY TAXES TO THE OWNER(S) OF ANY RENOVATED OR REHABILITATED BUSINESS PROPERTY LOCATED WITHIN THE TOWN OF INDIAN HEAD WHOSE BUSINESS PROPERTY ASSESSED VALUE INCREASES AS A RESULT OF THE RENOVATION OR REHABILITATION OF THE PROPERTY.

126-5 WORD USAGE AND DEFINITIONS.

(A) UNLESS A CONTRARY INTENTION CLEARLY APPEARS, WORDS USED IN THE PRESENT TENSE INCLUDE THE FUTURE, THE SINGULAR INCLUDES THE PLURAL, THE TERM SHALL IS ALWAYS MANDATORY, AND THE TERM MAY IS PERMISSIVE.

(B) FOR THE PURPOSE OF THIS ARTICLE, CERTAIN TERMS ARE DEFINED AS FOLLOWS:

RENOVATION – THE CHANGE, STRENGTHENING, OR ADDITION OF LOAD BEARING ELEMENTS, OR THE REFINISHING, REPLACEMENT, BRACING, STRENGTHENING, UPGRADING, OR EXTENSIVE REPAIR OF EXISTING MATERIALS, ELEMENTS, COMPONENTS, EQUIPMENT OR FIXTURES, OR ALL OF THESE.

1) RENOVATION DOES NOT INCLUDE THE INTERIOR RECONFIGURATION OF SPACE OR PAINTING.

2) RENOVATION INCLUDES THE TOTAL RECONSTRUCTION OF A BUSINESS PROPERTY DESTROYED BY WIND, HAIL, FIRE OR OTHER ACTS OF GOD.

REHABILITATION – THE PROCESS OF RETURNING REAL PROPERTY TO A STATE OF UTILITY, THROUGH REPAIR OR ALTERATION, WHICH MAKES POSSIBLE AN EFFICIENT BUSINESS USE.

126-6 SCOPE OF THE TAX CREDIT; APPLICATION PROCESS.

(A) THE COUNCIL OF THE TOWN OF INDIAN HEAD MAY GRANT A CREDIT AGAINST TOWN OF INDIAN HEAD REAL PROPERTY TAX TO THE OWNER(S) OF ANY QUALIFYING BUSINESS REAL PROPERTY IN THE TOWN OF INDIAN HEAD WHERE AN INCREASE IN THE ASSESSED VALUE OF IMPROVED PROPERTY HAS OCCURRED AS THE DIRECT RESULT OF THE REHABILITATION OR RENOVATION OF THE PROPERTY.

(B) THE CREDIT SHALL BE A DECLINING PERCENTAGE ON AN ANNUAL BASIS AND SHALL NOT EXCEED FIVE (5) YEARS.

(C) IT SHALL BE THE SOLE RESPONSIBILITY OF THE PROPERTY OWNER(S) TO APPLY FOR THE TAX CREDIT, ON A FORM PROVIDED BY THE TOWN, AND TO PROVIDE DOCUMENTATION SATISFACTORY TO THE TOWN AS TO THE QUALIFICATIONS OF THE PROPERTY FOR THE CREDIT.

(D) THE APPLICATION FOR TAX CREDIT WILL BE REVIEWED BY THE TOWN TO DETERMINE IF THE PROPERTY QUALIFIES FOR THE TAX CREDIT, AND THE PROPERTY OWNER(S) WILL BE NOTIFIED OF THE TOWN'S DECISION.

126-7 CALCULATION OF THE TAX CREDIT.

(A) THE TAX CREDIT SHALL BE FOR A TERM OF FIVE (5) FULL YEARS OF TAXES BASED UPON THE RATE OF TAX LEVIED IN YEAR ONE (1), AND SHALL BE CALCULATED AS FOLLOWS:

1) ONE HUNDRED PERCENT (100%) CREDIT IN YEAR ONE (1) OF THE NET DIFFERENCE IN TAX BETWEEN THE TAX CALCULATED UPON THE LAST KNOWN FULL YEAR ASSESSED VALUE OF THE IMPROVEMENTS, AS EVIDENCED BY THE LAST OFFICIAL ASSESSMENT NOTICE ISSUED PRIOR TO THE RENOVATION OR REHABILITATION OF THE IMPROVED PROPERTY, AND THE AMOUNT OF TAX CALCULATED BASED UPON VALUE OF THE NEW FULL YEAR ASSESSMENT OF THE IMPROVEMENTS, AS EVIDENCED BY THE NEW OFFICIAL ASSESSMENT NOTICE.

2) EIGHTY PERCENT (80%) CREDIT IN YEAR TWO (2) OF THE NET DIFFERENCE DESCRIBED IN SECTION 126-7(A)(1).

3) SIXTY PERCENT (60%) CREDIT IN YEAR THREE (3) OF THE NET DIFFERENCE DESCRIBED IN SECTION 126-7(A)(1).

4) FORTY PERCENT (40%) CREDIT IN YEAR FOUR (4) OF THE NET DIFFERENCE DESCRIBED IN SECTION 126-7(A)(1).

5) TWENTY PERCENT (20%) CREDIT IN YEAR FIVE (5) OF THE NET DIFFERENCE DESCRIBED IN SECTION 126-7(A)(1).

(B) ANY PROPERTY TAX CREDIT GRANTED PURSUANT TO THIS ARTICLE SHALL NOT INCLUDE ANY INCREASE IN TAXES LEVIED AS A RESULT OF A TAX RATE INCREASE BY THE TOWN OF INDIAN HEAD.

126-8 LIMITATION.

THE CREDIT SHALL BE APPLICABLE ONLY TO THOSE PROPERTIES WHICH HAVE COMPLETED RENOVATION OR REHABILITATION ON OR BEFORE DECEMBER 31, 2014.

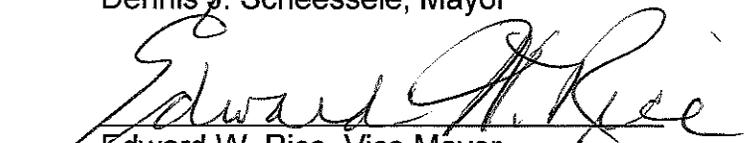
SECTION 2. AND BE IT FURTHER ENACTED that the provisions of this Ordinance shall apply to taxes levied beginning on July 1, 2012, and shall be applicable to the subsequent tax years on or after July 1, 2012.

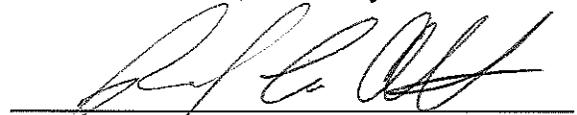
SECTION 3. AND BE IT FURTHER ENACTED that all ordinances or parts of ordinances and all resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed to the extent of such conflict.

SECTION 4. AND BE IT FURTHER ENACTED, that this Ordinance shall become effective at the expiration of twenty (20) calendar days after its approval by the Council.

INDIAN HEAD TOWN COUNCIL


Dennis J. Scheessele, Mayor


Edward W. Rice, Vice Mayor


Randy L. Albright, Councilman

Attest:


Andrea Hood, Town Clerk

6/4/12
Date

Key:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

Underlining indicates amendments to bill.

~~Strike-Out~~ indicates matter stricken from the bill by amendment or deleted from the law.