



# **POLICY FOR THE ADMINISTRATION OF THE HIGH PERFORMANCE COMMERCIAL BUILDING TAX INCENTIVE PROGRAM**

**FEBRUARY 2012**  
**Revised August 2014**

Washington County Department of Business Development

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## I. PURPOSE

- A. The purpose of this Policy is to establish criteria and requirements for building owners to receive property tax credits as authorized and defined in Washington County Resolution No. RS-2012-02, entitled “High Performance Commercial Building Tax Incentive Program” adopted February 7, 2012.
- B. This Policy establishes the application, documentation and submittal requirements for the granting of the High Performance Commercial Tax Credit by the Washington County Board of Commissioners and the Washington County Treasurer.
- C. This Policy establishes the guidelines, records retention, and reporting requirements for the continued granting of the Performance Commercial Tax Credit throughout the creditable time period.
- D. This Policy establishes the process and criteria for termination of the High Performance Commercial Tax Credit should this become necessary during the creditable time period.

## II. DEFINITIONS

- A. **High Performance Commercial Tax Credit** - a property tax reduction of the Washington County property tax based on the LEED rating system.
- B. **Administering Authority** - The Washington County Department of Business Development (DBD).
- C. **Building Owner** - the person(s) or legal entity holding title to and responsible for the real estate taxes for the building for which application is made for the High Performance Commercial Building Tax Credit.
- D. **Owner’s Authorized Representative** - person(s) or entity legally delegated to represent the building owner in the High Performance Commercial Tax Credit application, certification and maintenance processes.
- E. **USGBC** - United States Green Building Council.
- F. **LEED** - Leadership in Energy and Environmental Design certification program developed and administered by the USGBC.
- G. **LEED Rating** – a certification from the USGBC indicating achievement in the areas of energy and environmental design efficiency ranging from Platinum as the highest and Silver as the lowest.
- H. **LEED NC** - the Leadership in Energy and Environmental Design new construction system administered by the USGBC.
- I. **LEED EB** - the Leadership in Energy and Environmental Design existing building rating system administered by the USGBC.
- J. **LEED-CS**- the Leadership in Energy and Environmental Design – Core and Shell rating system administered by the USGBC.

## III. POLICY

### A. **General**

The guidelines, directives and processes in this policy are applicable for the construction, renovation, or remodeling of commercial property that attain and maintain, for the duration of the creditable time period, a LEED Certification level of Silver, Gold or Platinum. The creditable time period and the formulas for the computation of the amounts of any credit are defined in the Washington County High Performance Commercial Building Tax Incentive Program Resolution.

## **B. Application**

To apply for the High Performance Commercial Tax Credit, the building owner(s), or the authorized representative, must:

- 1) Submit a completed and signed application (addendum III of this policy and incorporated as part)
- 2) Submit with the application a true and correct copy of the initial LEED certification request.

## **C. Certification-**

Upon completion of review for compliance with the requirements of the Washington County High Performance Commercial Building Tax Incentive Program, the Department of Business Development (DBD) may:

- 1) Approve the application and provide notice of such to the following departments:
  - County Administrator
  - Director, Division of Plan Review and Permitting
  - Director, Division of Budget and Finance
  - County Treasurer
- 2) Return the application to the applicant for the provision of further information or clarification; or
- 3) Deny the application.

## **D. Building Owners Maintenance of Certification**

In order to continue to receive the High Performance Commercial Tax Credit for the duration of the creditable time period, the building owner, or the authorized representative, shall:

- 1) Submit annually, not later than the anniversary date of the original letter of certification, a letter of compliance attesting that all conditions relative to the original certification remain in place and are unchanged;
- 2) Submit to the DBD, in a timely manner, written notice of anticipated changes that might or will impact the conditions relative to the original certification conditions. The notice shall contain a statement from a LEED accredited professional defining the impact;
- 3) Upon completion of any changes or modifications as defined in the notice, submit a letter of completion, validated and signed by a LEED accredited professional, clearly defining the impacts to the criteria of the program as provided and approved at the time of initial certification; and
- 4) Retain during the creditable period any and all drawings, specifications, and submittals, to include final as-built drawings, related to any renovations, remodeling or other improvements to the building.

The DBD reserves the right to contact any federal, State or local agencies for any information concerning LEED certification and any information concerning construction, renovation, and remodeling permits issued to facilities applying for or receiving the High Performance Commercial tax credit.

#### **E. Termination of Certification**

The DBD will terminate the certification for the High Performance Commercial tax credits for any of the following reasons. The termination will be effective on the date determined by the DBD. The DBD will notify the building owner of such termination and the effective date within thirty (30) days of the decision to terminate.

- 1) The building owner's failure to submit the annual letter of compliance within the required time constraint;
- 2) A change, due to modifications, remodeling or renovation that results in the facility no longer meeting the criteria of the original LEED certification. This to include and reduction in the original LEED certification i.e. a Gold building receiving a reduced rating to Silver;
- 3) Failure of the building owner to report, in a timely manner, any and all anticipated and executed changes to the building that have an impact on the LEED or tax credit certification requirements;
- 4) Failure of the building owner to respond to requests for information from the DBD relative to the LEED or tax credit certification in reasonable time. For the purposes of this Policy, thirty (30) days from the issuance of the request for information shall constitute reasonable time.

#### **F. Changes to Policy**

The DBD reserves the right to make changes to this Policy. All recipients of the High Performance Commercial Tax Credit will be notified of any changes and issued a copy of the revised and updated Policy.

The Washington County Board of Commissioners reserves the right to terminate the High Performance Commercial Building Tax Incentive Program at any time.



**Washington County Department of Business Development**  
100 West Washington Street, Suite 1401  
Hagerstown, Maryland 21740

**APPLICATION FORM – PROPERTY TAX CREDIT  
HIGH PERFORMANCE BUILDING**

**PART I – APPLICANT INFORMATION**

**Application Dated:** \_\_\_/\_\_\_/\_\_\_

Company Name: \_\_\_\_\_

Local Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Local Phone Number: \_\_\_\_\_ Local Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Headquarters Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

State of Incorporation: \_\_\_\_\_

**PART II – PROJECT INFORMATION**

Address of Property or Tax Map and Parcel Number \_\_\_\_\_

Current Zoning Designation: \_\_\_\_\_ Estimated Completion Date: \_\_\_\_\_

Property Tax District Number (two-digits) \_\_\_\_\_ Project Tax Account Number (six-digits) \_\_\_\_\_

Estimated Project Costs: Soft Costs: \_\_\_\_\_ Hard Costs \_\_\_\_\_

**TO RECEIVE THE PROPERTY TAX CREDIT, THE FOLLOWING QUESTIONS MUST BE ANSWERED:**

1. Level of Certification applying for: Silver \_\_\_\_\_ Gold \_\_\_\_\_ Platinum \_\_\_\_\_
2. Type of building: Office \_\_\_\_\_ Industrial/Commercial \_\_\_\_\_ Warehouse \_\_\_\_\_
3. Name of architectural firm: \_\_\_\_\_
4. Application made to the U.S. Green Building Council (USGBC)? Y/N USGBC Project Number \_\_\_\_\_

**Project Narrative:**

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## USGBC RATING

The Property Tax Credit will be issued to a “High Performance Building” based upon the rating it receives from the United States Green Building Council (USGBC).

The USGBC issues Silver, Gold and Platinum rankings for LEED-CS, LEED-EB and LEED-NC.

“LEED-CS” means the Leadership in Energy and Environmental Design – Core and Shell rating system administered by the USGBC.

“LEED-EB” means the Leadership in Energy and Environmental Design – Existing Building rating system administered by the USGBC.

“LEED-NC” means the Leadership in Energy and Environmental Design – New Construction rating system administered by the USGBC.

### **REQUIRED: TO RECEIVE THE TAX CREDIT, THE APPLICANT MUST SUBMIT A COPY OF THE USGBC PROJECT CERTIFICATION FOR THE BUILDING**

The USGBC can be contacted at 1-800-795-1747, or on the web at: [www.usgbc.com](http://www.usgbc.com)

The Washington County Department of Business Development can be reached at 240-313-2280.

### **Important Information**

Application: A taxpayer must apply for the tax credit within 1 (one) year after the building is certified as a “high performance building”.

A “high performance building” is defined as:

A commercial building that achieves a silver, gold or platinum rating from the United States Green Building Council (USGBC).

### **Tax Credit Amount**

Note: The tax credits will begin in the County fiscal year after which the appropriate rating is achieved and the completed building has been reassessed. The County’s fiscal year runs July 1<sup>st</sup> to June 30<sup>th</sup> of the following year. In order for the tax credit to be approved, the property owner must provide to the Department of Business Development (DBD): (1) evidence of receipt of a use and occupancy certificate indicating completion of the construction or renovation project and (2) certification of the LEED status.

The credit shall be applied only against the increase in the assessed value of a property as determined by the Maryland State Department of Assessments and Taxation resulting from new construction or renovation. The amount of the credit shall be:

- (1) LEED Certified Silver – 20% of the increase;
- (2) LEED Certified Gold – 25% of the increase;
- (3) LEED Certified Platinum – 30% of the increase.

- Once granted, the tax credit shall be applied for three (3) consecutive years and may not be applied again.
- The credit may not exceed the increase of the assessed value of the property and may not be carried over to another tax year.

- The tax credit for a particular property shall terminate if during the credit period, the County determines that that a building has been altered so that it no longer complies with the LEED rating system, version, or level that was the basis for granting the credit at the time the credit was granted.
- This tax credit may be used in conjunction with other State, County and municipality property tax credit programs. However, the cumulative total of tax credits cannot exceed the amount of property tax levied on the property.
- The tax credit granted shall run with the land.

**Company Representative Authorized For Contact:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email \_\_\_\_\_

**Authorized Company Official:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

**COUNTY USE ONLY: Approved for High Performance Building Incentive**

Green Building Point Total: \_\_\_\_\_

Date LEED Certification Received: \_\_\_\_\_ Certification Level: **Silver** { } **Gold** { } **Platinum** { }

Estimate Start of Tax Credit: \_\_\_\_\_

Estimated Credit Impact: Year 1: \_\_\_\_\_ Year 2: \_\_\_\_\_ Year 3: \_\_\_\_\_

Reviewing Official \_\_\_\_\_ Date: \_\_\_\_\_