

ORDINANCE NO. 761

INTRODUCED BY: Councilman Johnson

AN ORDINANCE OF THE TOWN OF DENTON AMENDING THE TOWN OF DENTON CODE TO ADD PROVISIONS TO CHAPTER 114 TO ESTABLISH A PROPERTY TAX CREDIT FOR HABITAT FOR HUMANITY INCORPORATED PROVIDED CERTAIN CRITERIA IS MET

WHEREAS, Article XI-E, Constitution of the State of Maryland; Section 4-103(b)(3), Subtitle 1, Title 4, Division II, Local Government Article, Annotated Code of Maryland; and the Charter and Code of the Town of Denton provide the authority under which the Town Council may adopt, repeal, and/or amend the ordinances of the Town of Denton deemed necessary for the protection and preservation of the town's property and for the protection and promotion of health and safety of town employees and citizens; and

WHEREAS, the Town Council is authorized pursuant to the Tax-Property Article of the Annotated Code of Maryland, § 9-252 to grant, by law, a property tax credit against municipal corporation property tax that is imposed on real property that is owned by Habitat for Humanity with the intention of relinquishing ownership in the near future; used for the purposes of development, rehabilitation, and transfer to a private owner; and not occupied by administrative or warehouse buildings owned by Habitat for Humanity; and

WHEREAS, Habitat for Humanity Choptank submitted a request to the Town Council to grant property tax exemptions for twelve (12) properties located in the Town of Denton owned by Habitat for Humanity Tuckahoe, which will be dedicated to Habitat for Humanity Choptank; and

WHEREAS, Habitat for Humanity Choptank has developed and sold 125 homes in Dorchester and Talbot Counties to low-income families earning between 30-80% of the Area Median Income; and

WHEREAS, the Town Council recognizes the significant benefit to the Town of Denton by Habitat for Humanity Choptank providing affordable housing; and

WHEREAS, the Town Council desires to support developing and selling affordable housing to low-income families in the Town of Denton and has determined that it is desirable and in the public interest to provide a municipal property tax credit to certain property owned by Habitat for Humanity.

NOW, THEREFORE, the Town of Denton hereby ordains:

SECTION 1: The Denton Town Code §114 titled, Taxation, is hereby amended to include a new section, Article IV titled, Property Tax Credit for Habitat for Humanity Incorporated, as follows:

Article IV Property Tax Credit for Habitat for Humanity Incorporated

§ 114-4 Tax credit established; authority.

By virtue of the authority vested in the Town of Denton by the Tax-Property Article of the Annotated Code of Maryland, § 9-252, a property tax credit against Town of Denton real property tax imposed on certain qualifying unimproved and improved property owned by Habitat for Humanity Choptank, Incorporated, is hereby established.

§ 114-5 Amount, eligibility and limitations.

A property tax credit of 100% may be granted on real property owned by Habitat for Humanity Choptank, Incorporated, that meets the following criteria:

- A. The property is owned by Habitat for Humanity Choptank, Incorporated, with the intention of relinquishing ownership in the near future; and***
- B. The property is used exclusively for the purpose of rehabilitation and transfer to a private owner in order to promote home ownership and the availability of affordable housing to the public; and***
- C. The property is not occupied by administrative, warehouse or other ancillary buildings owned by Habitat for Humanity Choptank, Incorporated.***

If granted on real property, the property tax credit shall expire after 3 years. After the first 3 years, the property tax credit shall expire, but may be renewed annually thereafter if the Mayor and Council deem the renewal to be in the best interest of the Town.

§ 114-6 Reporting requirements.

In order to receive credits, Habitat for Humanity Choptank, Incorporated shall annually on or by the first day of April submit a written report to the Clerk-Treasurer of the Town of Denton containing the following information on each of its real property holdings in the Town of Denton:

- A. The property address, and the real property identification number on the property tax bill;***
- B. The date the property transferred to Habitat for Humanity Choptank, Incorporated; the amount of consideration paid to or received by Habitat for Humanity Choptank, Incorporated; the names of all parties to the transaction; the purpose of the acquisition by Habitat***

for Humanity Choptank, Incorporated; and the property's current use; and

C. Any other transactions involving these holdings.

D. An overview of progress made on the property since transfer to Habitat for Humanity Choptank, and an overview of future plans for development and transfer of the property.

§ 114-7 Tax credit applicability period on eligible properties.

This real property tax credit shall take effect when an eligible property is transferred to Habitat for Humanity Choptank, Incorporated. However, if Habitat for Humanity Choptank, Incorporated, purchases the property rather than receiving it as a donation, the Town shall reimburse Habitat for Humanity Choptank, Incorporated, for town real property taxes paid at time of settlement. The tax credit shall cease as of the date that Habitat for Humanity Choptank, Incorporated, receives a certificate of occupancy on a property, or the property is transferred to another owner. When the credit ceases, the property and its assessment shall be reinstated on the real property tax roll, and taxes due shall be paid.

§ 114-8 Right to deny credit.

The Town may deny a credit on any property that does not meet all eligibility requirements set forth herein. The Town reserves the right to deny a credit deemed by the Mayor and Council to not be in the best interest of the Town. The Town further reserves the right to deny a credit to any more than 15 properties at one time.

§ 114-9 No refunds on previously paid taxes.

No refunds shall be issued by the Town on taxes paid by Habitat for Humanity Choptank, Incorporated, prior to the effective date of this article.

SECTION 2: If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Denton Town Council hereby declares that it would have passed this Ordinance and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases be declared unconstitutional.

SECTION 3: In accordance with § C3-12 of the Town Charter, this ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect seven (7) days from and after the date of its final passage and adoption.

ADOPTED THIS _____ DAY OF _____, 2025.

DENTON TOWN COUNCIL:

Abigail McNinch, Mayor

Dallas Lister, Councilperson

Lester L. Branson, Councilperson

Walter Keith Johnson, Councilperson

Frank Taylor, Councilperson

ATTEST:

Karen L. Monteith, Clerk-Treasurer

Approved for legal sufficiency this _____ day of _____, 2025.

Lyndsey Ryan, Town Attorney

Date Introduced _____

Date Amendments Introduced _____

Date Passed _____

Effective Date _____

Text that is stricken reflects language omitted from the Town Code

Text in **bold** and *italicized* reflects additions to the Town Code