

ORDINANCE NO. 1757

AN ORDINANCE TO ADD A NEW SECTION 16-9 ENTITLED "TAX CREDIT-FORECLOSED HOMES" OF ARTICLE I ENTITLED "IN GENERAL" OF CHAPTER 16 ENTITLED "TAXATION" OF THE CODE OF THE CITY OF LAUREL TO PROVIDE FOR A TAX CREDIT FOR THE PURCHASERS OF FORECLOSED HOMES WHO OCCUPY SUCH HOMES AS THEIR PRIMARY RESIDENCE.

Sponsored by City Council Members Donna Crary, Fred Smalls, Michael Leszcz, H. Edward Ricks, Valerie Nicholas

WHEREAS, the City of Laurel, like many jurisdictions in the United States, has experienced home foreclosure throughout the City; and

WHEREAS, the homes often fall into disrepair; and

WHEREAS, the City wishes to offer a tax incentive to increase interest in purchasing and rehabilitating those foreclosed homes; and

WHEREAS, the Mayor and City Council believe this is necessary to protect the health, welfare and safety of the citizens of the City.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, that a new Section 16-9 be and hereby is added to the Code of the City of Laurel to read as follows:

Sec. 16-9. Tax Credit-Foreclosed Homes

a.) The Mayor and City Council hereby grant property tax credits as described herein for purchasers of foreclosed homes, said property tax credits to apply the first five years of owner-occupied only foreclosed properties as follows:

Year 1	Credit = 100 percent taxes up to \$3,500
Year 2	Credit = 100 percent taxes up to \$3,500
Year 3	Credit = 75 percent taxes
Year 4	Credit = 50 percent taxes
Year 5	Credit = 25 percent taxes
Year 6	No further tax credits applicable

In cases where the City property taxes exceed \$3,500, the property owner is responsible for any and all taxes above \$3,500.; and

b.) The property owner must live in the home during the duration of the tax credit. If owner occupancy ceases during the six year program, the credit will end at the time owner occupancy ceases; and

c.) In cases where the home foreclosure is a distressed property with outstanding Code violations and/or requires extensive restoration and rehabilitation as determined by the City of Laurel Chief Building Official, the Mayor and City Council can offer a greater property tax credit for the first six years of owner-occupied only distressed foreclosed properties:

Year 1	Credit = 100 percent taxes up to \$3,500
Year 2	Credit = 100 percent taxes up to \$3,500
Year 3	Credit = 100 percent taxes up to \$3,500
Year 4	Credit = 75 percent taxes
Year 5	Credit = 50 percent taxes
Year 6	Credit = 25 percent taxes
Year 7	No further tax credits applicable

In cases where the City property taxes exceed \$3,500, the property owner is responsible for any and all taxes above \$3,500; and

d.) The Mayor and City Council commit to funding this program in an annual amount not to exceed \$50,000 which is established as the maximum annual budget for this program for the period starting with Fiscal Year 2014 and running through Fiscal Year 2021; and

e.) The program will continue beyond Fiscal Year 2021 only if funding is budgeted;

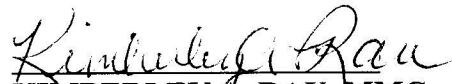
f.) Foreclosed properties must meet the Unified Land Development Code definitions of dwelling units, and must be dwelling units available for purchase however known, i.e. condominium, duplex, single-family, single-family attached, or townhome; and

g.) Tax credits will be issued in the form of a property tax refund of paid property taxes not to exceed the eligible tax credit amount; and

BE IT FURTHER RESOLVED THAT this Ordinance shall take effect from the date of its passage.

PASSED this 26th day of November, 2012.

ATTEST:


KIMBERLEY A. RAU, MMC
 Clerk to the City Council


DONNA L. CRARY
 President of the City Council

APPROVED this 26th day of November, 2012.


CRAIG A. MOE
 Mayor