

Who can apply for the credit?

The Frederick County Brownfields Tax Credit is available only to properties that have gone through the Maryland Voluntary Cleanup Program and have received formal designation by the Maryland Department of Commerce as a “qualified Brownfields site.”

Overview of the Maryland Brownfields Program

In 1997, the State of Maryland enacted Brownfields legislation (SB 340) to foster the clean-up and redevelopment of sites with real or perceived environmental contamination. The bill had two major components:

1. Established a **Voluntary Cleanup Program** under the administration of the Maryland Department of the Environment (MDE). The Voluntary Cleanup Program streamlines the environmental cleanup process for sites, usually industrial or commercial properties, that are contaminated, or perceived to be contaminated, by hazardous substances. Developers and lenders are provided with certain limitations on liability and participants in the program are provided certainty in the process by knowing exactly what will be required.
2. Established the **Brownfields Revitalization Incentive Fund** under the direction of the Maryland Department of Commerce to provide financial assistance to innocent purchasers of eligible Brownfields sites in the form of loans and grants from the Department of Commerce and the **Brownfields Tax Credit** from participating counties or municipalities.

Frederick County Brownfields Property Tax Credit

Frederick County Code 1-8-201 outlines the Brownfields Property Tax Credit. The property tax credit is 50% of the property tax attributable to the increase in assessment of the qualified Brownfields site, including improvements added to the site during the credit period, over the assessment of the qualified Brownfields site before the voluntary cleanup or corrective action plan. The credit shall apply in each of the 5 taxable years immediately following the first revaluation of the property after completion of a voluntary cleanup or corrective action plan of a qualified Brownfields site. The credit is subject to the requirements and limitations set forth in Md. Code Ann. Tax Property Article 9-229.

Eligible Sites

The State Brownfields law states that a property must meet the following criteria to take advantage of Brownfields Revitalization Incentive Fund (BRIP) financial incentives – including the Brownfields Tax Credit. The property must be:

- Proposed to be purchased by someone who has not previously owned the site and who is not the party responsible for contamination at the site;
- Contaminated by oil or a hazardous substance;
- A former industrial or commercial site located in a densely populated urban area and substantially underutilized;
- An existing or former industrial or commercial site that poses a threat to public health or the environment; and
- Located in a jurisdiction – such as Frederick County – that has adopted a local ordinance.

Tax Credit Process

1. Applicant must obtain formal designation from the Maryland Department of Commerce that the property is a “qualified Brownfields site” under the Maryland Brownfields program. For more information on becoming qualified, contact the Department of Commerce.
2. Applicant must work with the Maryland Department of the Environment (MDE) and receive a Voluntary Cleanup Acceptance letter. The applicant must then receive a Certificate of Completion from MDE when the cleanup is done.
3. Applicant must complete this application form and submit it to:

Treasurer of Frederick County
30 N. Market Street Frederick,
MD 21701

The Treasurer will review the application and, if approved, will notify the State Department of Assessments and Taxation (SDAT) of the site’s eligibility for the Brownfields Tax Credit.

SDAT and the County will then take the necessary steps to incorporate the Tax Credit into the next appropriate tax bill for the property.