



City of Cumberland

HISTORIC TAX INCENTIVE PROGRAM APPLICATION

DEPARTMENT OF COMMUNITY DEVELOPMENT
57 NORTH LIBERTY STREET
CUMBERLAND, MD 21502
301-759-6431



City of Cumberland

Historic Preservation Tax Program

Policies and Procedures

- Maryland state law grants the City of Cumberland the authority to provide tax incentives to property owners for qualified rehabilitations within the historic districts.
- Section 9-204 of the Maryland Annotated Code Tax Property Article provides that an existing structure that has been determined to be of historic value in the historic district may receive a property tax credit “up to 10% of properly documented expenses” when the existing structure is renovated or preserved.
- Section 9-204 provides that a tax credit of up to 5% may be provided for the new construction of architecturally compatible structures.
- Section 9-204.1 allows a property owner of eligible existing historic structures to have the assessed value of the property frozen for up to 10 years at the pre-renovation value.
- The following table will be utilized by the City of Cumberland to determine the length of the property tax assessment freeze:

Improvement cost as percentage of market	Available tax exempt status of improvement
10 percent	1 year
20 percent	2 years
30 percent	2 years
40 percent	3 years
50 percent	3 years
60 percent	4 years
70 percent	4 years
80 percent	5 years
90 percent	6 years
100 percent	7 years
200 percent	8 years
300 percent	9 years
400 percent	9 years
500 percent	10 years

- A property must be a certified historic structure meaning that it must possess one of the following designations:
 - listed individually in the National Register of Historic Places
 - listed in a National Register historic or landmark district
 - listed in a property or district designated as an historic property or district under local law
 - included within the boundaries of a certified heritage area.

The following districts are currently eligible to participate in this program:

- **Canal Place Preservation District**
 - **Greene Street National Register District**
 - **Decatur Street/Decatur Heights National Register of Historic Places District**
 - **South Cumberland/Chapel Hill National Register of Historic Places District**
 - **Rolling Mill National Register of Historic Places District**
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- The minimum expenditure for 24 months must be \$5000.00.
 - Eligible expenses include exterior and interior construction expenses related to heating, plumbing, and electrical improvements, painting, roof replacement and/or repairs, and similar capital/bricks and mortar improvements.
 - Ineligible expenses include architectural/engineering fees, permit fees, appliances, furnishings, landscaping and related expenses.
 - Funds that are awarded as part of a City of Cumberland incentive program or other funding program are not eligible for inclusion for the Historic Tax Incentive Program.
 - The property owner must submit construction plans for the Historic Preservation Commission to review prior to the start of any work.
 - For properties within the Canal Place Preservation District, a Certificate of Appropriateness (for exterior improvements) *and* a Pre-Construction Work Scope Application Form (for interior improvements) must be approved and on file in order to qualify for the tax incentive program.
 - For properties located within a National Register of Historic Places District or site, a Pre-Construction Work Scope Application Form must be approved and on file prior to the commencement of work in order to qualify for the tax incentive program.
 - Complete details of the local program can be found in Cumberland's Ordinances 3894 and 3895.
 - In cases where more than one local tax incentive program could apply to a project, the property owner/applicant must select the one program that he/she determines provides the best benefit for the project. Multiple programs cannot be layered or applied separately for any project.

It is recommended that property owners check with the City's Historic Planner/Preservation Coordinator to verify whether their property is located within those boundaries or whether the property possesses an individual historic designation. Copies of district maps may be found on the City of Cumberland's website at <http://www.ci.cumberland.md.us/engineering/maps.htm> .

Other Sources

Additional state and federal tax incentives might be applicable to your project. Please consult with the following resources in order to determine whether your project is eligible to participate.

Maryland Sustainable Communities Rehabilitation Tax Credit Program

The Maryland Sustainable Communities Rehabilitation Tax Credit Program is administered by the Maryland Historical Trust and provides Maryland income tax credits based on a percentage of the qualified capital costs expended in the rehabilitation of a structure for the following types of projects:

- 20% credit for “certified historic structures” that are owner-occupied, single-family residences
- 20% credit for “certified historic structures” that are commercial buildings
- 25% credit for “certified historic structures” that are high-performance commercial buildings
- 10% credit for non-historic, “qualified rehabilitated structures”

All applications must be approved by the Maryland Historical Trust prior to the commencement of work. More information about this program can be obtained by contacting the Maryland Historical Trust’s Office of Preservation Services at 410-514-7627 or 410-514-7628. Forms and instructions may be obtained by visiting the website at <http://www.mht.maryland.gov/taxcredits.html>.

Federal Tax Incentive Program

This program enables the owners or long-term leaseholders of existing income-producing certified historic structures (listed in the National Register of Historic Places, or a contributing element within the boundaries of an historic district), to receive a federal tax credit. The credit amounts to 20 percent of the cost of a certified rehabilitation (a rehabilitation that meets the Secretary of the Interior’s “Standards for Rehabilitation”). Applications for this program contain three parts and are also available through the Maryland Historical Trust. More information about this program can be obtained by contacting the Maryland Historical Trust’s Office of Preservation Services at 410-514-7627 or 410-514-7628. More information can be found on the National Park Service’s Heritage Preservation Services website, located at <http://www2.cr.nps.gov/tps/tax/>.

Additional links to various incentive programs may be found at

<http://www.ci.cumberland.md.us/dept/commdev/econdev/econbusincen/econbusincen.html>

Instructions

Part I - Pre-Construction Work Scope Application

- The first step is to complete the attached Pre-Construction Work Scope Application form. Fill in all the blanks. Missing information may result in delays in processing. Work detail should include planned work on the interior and exterior. **This form must be submitted and approved by the Cumberland Historic Preservation Commission prior to the commencement of any construction activities. Failure to receive approval prior to the commencement of construction will be subject to disqualification.**
- Provide representative photographs to visually describe the areas of impact for the project. Include copies of design plans, elevations, materials specifications, and all other relevant information to fully convey the scope of work.
- For new construction projects, applicants should provide design elevations/renderings, as well as photographs of the surrounding neighborhood in which the new building is to be constructed.
- Ensure that all relevant building and code-related permits are obtained from the City of Cumberland's Department of Community Development. Checklists are available upon request to address your specific scope of work.
- For properties located within the Canal Place Preservation District, an application for a Certificate of Appropriateness must be applied for and approved by the Historic Preservation Commission in addition to the approval of the Pre-Construction Work Scope Application Form. **For projects located within the Canal Place Preservation District, approval of a Certificate of Appropriateness will substitute for the approval of proposed exterior work. For this district, applicants should note any additional interior work that is planned.**

Part II – Completion Certification

- Include relevant before and after photos, documenting the rehabilitation that has taken place.
- Ensure that all applicable permits have been approved.
- Complete the attached transmittal of receipts form. Make sure to sign and date all receipts, invoices, canceled checks, and credit card statements. Account numbers should be obscured or removed. Invoices must be accompanied by proof of payment in order for processing to continue and all documentation must clearly reference the address of where the work has taken place. All receipts should be numbered. ***Please note that all submitted documentation must be kept on file and cannot be returned.***
- Return the completed application to the Cumberland Historic Preservation Commission, 57 North Liberty Street, Cumberland, MD 21502
- **The application will be reviewed by the Historic Preservation Commission and/or its staff upon receipt. When complete, the application will be forwarded to the Cumberland Mayor and City Council for approval.**

If you have any questions about the forms or the process of obtaining tax credits, please contact the City of Cumberland's Historic Planner/Preservation Coordinator, Kathy McKenney, at (301) 759-6431 or kathy.mckenney@cumberlandmd.gov.

PLEASE NOTE THAT THE APPROVAL OF THE APPLICATION FOR TAX CREDITS CONSTITUTES ONLY A LOCAL APPROVAL. YOU WILL NOT AUTOMATICALLY QUALIFY FOR THE TAX CREDIT PROGRAMS THAT THE STATE AND FEDERAL GOVERNMENTS HAVE TO OFFER. YOU MUST SUBMIT TO A SEPARATE PROCESS FOR THESE PROGRAMS. CONTACT THE APPROPRIATE OFFICE TO INQUIRE THE REGULATIONS FOR OBTAINING OTHER TAX CREDITS.

City of Cumberland
Historic Preservation Tax Program
Part I – Pre-Construction Work Scope Application

FOR OFFICE USE ONLY	
COA	# _____
Tax Account	# _____
Date COA/Part I Approved	_____

TO: Cumberland Historic Preservation Commission
57 North Liberty Street
Cumberland, MD 21502

-type or print in ink-

APPLICANT:

Owner's Name: _____

Address: _____

Phone: _____

PROPERTY: (if different from applicant information)

Name: _____

Address: _____

Please Check the District in Which Structure is Located:

- Canal Place Preservation District [CPPD] (Locally Zoned Historic District)***
For properties in the CPPD, is the property also located within:
 - Primary Special Taxing District**
 - Secondary Special Taxing District** } *An additional assessment freeze may apply*
- Decatur Heights District (National Register of Historic Places District)**
- Greene Street District (National Register of Historic Places District)**
- South Cumberland (Chapel Hill) District (National Register of Historic Places District)**

**If structure is located in the Canal Place Preservation District, a Certificate of Appropriateness must be approved prior to the commencement of construction. A Certificate of Appropriateness is required for all exterior work in this district even if the tax credit application process is not completed and/or is denied.*

If you are unsure as to which district your property is located, please consult the City of Cumberland's Historic Planner/Preservation Coordinator at 301-759-6431 or the City of Cumberland's website at <http://www.ci.cumberland.md.us/engineering/maps.htm>

Scope of Work – Existing Structures

Existing Material/Appearance	Proposed Work/Changes

Attach additional sheets, if needed.

Scope of Work – New Structures

Please verbally describe and include a copy of elevation design/renderings, as well as photographs of the surrounding neighborhood in which the new building is to be constructed. Describe what efforts have been made to ensure that the new construction blends with the surrounding street and district in which the structure has been located:

Attach additional sheets, if needed.

City of Cumberland
Historic Preservation Tax Program
Part II – Completion Certification

TO: Cumberland Historic Preservation Commission
57 North Liberty Street
Cumberland, MD 21502

FOR OFFICE USE ONLY	
COA	# _____
Tax Account	# _____
Date Approved	_____
Part II Certified/Recommended by HPC _____	
(See Attached for Recommended Incentives)	

-type or print in ink-

APPLICANT:
Owner's Name: _____
Address: _____

Phone: _____

PROPERTY: (if different from applicant information)
Name: _____
Address: _____

A. In Accordance with Maryland's Annotated Code Tax Property Article 9-204 and 9-204.1 and the City of Cumberland's Ordinances 3894 and 3895, I request a credit and/or freeze on my City Property taxes for the following historic preservation, rehabilitation, or restoration work: *(Give a brief description of the project)*

B. Total Cost of the Project: \$ _____

The minimum expenditure must be \$5000.00
See Attachment A for minimum claim requirements

C. Contractor (s) Name (s) _____

D. Completion Date of Project _____

E. _____ Attached Transmittal of Receipts Form is Complete
_____ All Receipts are Numbered and Dated

_____ Before and After Photographs are Enclosed

I HEREBY DECLARE under penalties of perjury that all information submitted is, to the best of my knowledge, accurate and true and I confirm that I have selected to apply to this program in preference to other local tax incentive programs.

Owner/Applicant

Date

City of Cumberland
Historic Preservation Tax Program
Transmittal of Receipts Form

- type or print in ink -

Please Sign and Number Each Receipt Individually. Use additional sheets, if necessary

<u>Receipt #</u>	<u>Amount</u>	<u>Name of Contractor/Supplier</u>	<u>Work that Materials Were Used For</u>
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I HEREBY CERTIFY that the above specified work and attachments were used for the rehabilitation, restoration, or preservation of a structure in the historic district at the address which appears on this application.

I HEREBY DECLARE under penalties of perjury that all information is, to the best of my knowledge, accurate and true.

Owner/Applicant

Date

K. McKenney