

1 **CITY COUNCIL OF THE CITY OF ANNAPOLIS**

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3 **ORDINANCE NO. O-16-09 Amended**

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5 **Introduced by Alderman Stankivic**

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7 **Co-sponsored by Alderman Shropshire**  
8 **Alderman Arnett**  
9 **Alderman Cordle**

LEGISLATIVE HISTORY			
First Reading:	Public Hearing:	Fiscal Impact Note:	120 Day Rule:
04/13/09	05/18/09	04/25/09	08/10/09
Referred To:	Meeting Date:	Action Taken:	
Environmental Mtrs	06/08/09	Favorable w/ Amd	
Finance	06/25/09	Favorable	

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12 **AN ORDINANCE concerning**

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14 **Property Tax Credit – Installation of Fire Sprinklers**

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16 **FOR** the purpose of providing a one-time City property tax credit for an existing  
17 residential structure in which fire sprinkler installation is required by City  
18 Code.

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22 **BY** repealing and reenacting with amendments the following portion of the  
23 Code of the City of Annapolis, 2009 Edition:  
24 Section 6.04.130

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26 **BY** creating new the following section of the Code of the City of Annapolis,  
27 2009 Edition:  
28 Section 6.04.135

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32 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE**  
33 **ANNAPOLIS CITY COUNCIL** that Section 6.04.130 of the Code of the City of  
34 Annapolis shall be amended to read as follows:

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36 **Chapter 6.04 FINANCE AND TAXATION GENERALLY**

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2 **6.04.130 Record of transfers of property and tax increases or reductions**  
3 **Property tax credit – Installation of fire sprinklers.**

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5 The Director of Finance shall note upon the tax records every transfer of property  
6 within the City and every increase or reduction in a tax bill made or allowed by  
7 the City Council upon the application of any taxpayer.

8 A. A taxpayer may receive a one-time property tax credit against the general City  
9 property tax for an existing residential structure he or she owns in which a fire  
10 sprinkler system is legally required to be installed, if an approved fire sprinkler  
11 system is installed on or after July 1, 2009.

12 B. For an existing residential structure where a sprinkler system is installed, the  
13 taxpayer shall receive a one-time credit for up to the total amount of the property  
14 tax to be paid in the year the system is installed. If the cost of the sprinkler  
15 system is less than the total amount of property tax to be paid in the year the  
16 system is installed, the taxpayer is only eligible for a one-time credit that shall not  
17 exceed the cost of the sprinkler system installed. credit shall not exceed the  
18 lesser of:

19 1. The total cost of installing the sprinkler system;

20 2. Fifty percent (50%) of the general City property tax attributable to the  
21 residential structure.

22 C. The Department of Finance shall administer this credit and include with each  
23 residential property tax bill a notice of the availability of the credit and where the  
24 taxpayer may obtain more information.

25 D. A taxpayer must apply for the tax credit during the year the sprinkler system is  
26 installed to receive the credit in the current or following tax year. The taxpayer  
27 must:

28 1. Show that the installed sprinkler system complies with standards established  
29 by the State Fire Prevention Commission and any applicable City and County  
30 building and fire safety codes;

31 2. Provide documentation of the cost to the taxpayer for installation of the  
32 sprinkler system.

33 E. The Finance Director shall report annually to the City Council on the  
34 application of this tax credit.

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37 **SECTION II: BE IT ESTABLISHED AND ORDAINED BY THE**  
38 **ANNAPOLIS CITY COUNCIL** that the Code of the City of Annapolis shall read  
39 as follows:

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41 **6.04.135 Record of transfers of property and tax increases or reductions.**

42 The Director of Finance shall note upon the tax records every transfer of property  
43 within the City and every increase or reduction in a tax bill made or allowed by  
44 the City Council upon the application of any taxpayer.

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**O-16-09**  
**Property Tax Credit – Installation of Fire Sprinklers**

**Staff Report**

On January 12, 2009, the Annapolis City Council passed Ordinance O-30-08Amended, “Clarifying Duties of Department of Neighborhood and Environmental Programs and Public Works Administration.” In addition to reforming Title 17 of the Annapolis City Code to reflect the current responsibilities of the Department of Neighborhood and Environmental Programs and the Public Works Administration, the ordinance required the installation of fire sprinklers in residential renovations where the “substantial quantity of new construction located within a dwelling unit exceeds 50% of the quantity of existing structure.” As defined further by the ordinance, “all quantities of construction” are to be “measured in terms of floor area square footage within a dwelling unit utilized for living, sleeping, eating, cooking, bathing, washing, and sanitation purposes.”

During the public hearing held November 24, 2008, the City Council received testimony from City residents who expressed concern about the cost of sprinkler installation in existing residential structures. The proposed ordinance seeks to lessen the financial burden on property owners by allowing those who install a fire sprinkler in an existing residential structure as required by § 17.12.020(2)(A)(1) to apply for a City property tax credit. The tax credit would not exceed the lesser of (1) the total cost of installing the sprinkler system or, (2) 50 percent of the general City property tax attributable to the residential structure. In addition, the property owner must apply for the tax credit during the year the sprinkler system is installed to receive the credit in the current or following tax year. In applying for the credit, the taxpayer must: (1) show that the installed sprinkler system complies with standards established by the State Fire Prevention Commission and any applicable City and County building and fire safety codes and, (2) provide documentation of the cost for the installation of the sprinkler system.

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