(II) REAL PROPERTY ON WHICH AN IMPROVEMENT IS MADE TO AN EXISTING STRUCTURE THAT IS LOCATED IN A HISTORIC DISTRICT.

(2) A PROPERTY TAX CREDIT GRANTED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION SHALL BE:

(I) THE FOLLOWING PERCENTAGE OF THE INCREASE THAT IS DUE TO THE IMPROVEMENT:

1. 100% OF THE INCREASE IN THE ASSESSMENT OF THE REAL PROPERTY IN THE 1ST AND 2ND TAXABLE YEARS THAT THE IMPROVED STRUCTURE IS SUBJECT TO THE COUNTY PROPERTY TAX;

2. 80% OF THE INCREASE IN THE ASSESSMENT OF THE REAL PROPERTY IN THE 3RD TAXABLE YEAR THAT THE IMPROVED STRUCTURE IS SUBJECT TO THE COUNTY PROPERTY TAX;

3. 60% OF THE INCREASE IN THE ASSESSMENT OF THE REAL PROPERTY IN THE 4TH TAXABLE YEAR THAT THE IMPROVED STRUCTURE IS SUBJECT TO THE COUNTY PROPERTY TAX;

4. 40% OF THE INCREASE IN THE ASSESSMENT OF THE REAL PROPERTY IN THE 5TH TAXABLE YEAR THAT THE IMPROVED STRUCTURE IS SUBJECT TO THE COUNTY PROPERTY TAX; AND

(II) ENDED AFTER THE 5TH TAXABLE YEAR THAT THE IMPROVED STRUCTURE IS SUBJECT TO COUNTY PROPERTY TAX.

(C) COUNTY TAX -- OPTIONAL.

THE GOVERNING BODY OF WASHINGTON COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY PROPERTY TAX IMPOSED ON PROPERTY THAT IS:

(1) OWNED BY A NONPROFIT CIVIC ASSOCIATION; AND

(2) UNLESS THE COMPENSATION IS USED ONLY TO IMPROVE OR MAINTAIN THE PROPERTY, USED ONLY FOR A COMMUNITY, CIVIC, EDUCATIONAL, OR LIBRARY PURPOSE, IF:

(I) THE USE IS NOT CONTINGENT ON THE PAYMENT OF COMPENSATION FOR ADMISSION TO OR USE OF THE PROPERTY; AND

(II) UNLESS THE COMPENSATION IS USED ONLY TO IMPROVE OR MAINTAIN THE PROPERTY, FAILURE TO PAY COMPENSATION IS NOT A REASON TO DENY ADMISSION TO OR USE OF THE PROPERTY.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 9C(o-1) and the first sentence of (a)(1), as that sentence related to Washington County tax credits.

In the introductory language of subsection (a) of this section, the defined term "law" is substituted for the