

# HOUSE BILL 1301

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By: **Delegate Wells**

Introduced and read first time: February 7, 2020

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Credit – Opportunity Zone Property Improvements**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the  
4 governing body of a county or municipal corporation to grant, by law, a property tax  
5 credit on a certain assessment of certain qualified opportunity zone property under  
6 certain circumstances; providing for the calculation of the credit; authorizing the  
7 governing body of a county or municipal corporation to provide, by law, for certain  
8 matters relating to the credit; defining certain terms; providing for the application  
9 of this Act; and generally relating to a property tax credit for certain opportunity  
10 zone property.

11 BY adding to  
12 Article – Tax – Property  
13 Section 9–265  
14 Annotated Code of Maryland  
15 (2019 Replacement Volume)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
17 That the Laws of Maryland read as follows:

18 **Article – Tax – Property**

19 **9–265.**

20 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
21 **INDICATED.**

22 **(2) “BASE YEAR” MEANS THE TAXABLE YEAR IMMEDIATELY BEFORE**  
23 **THE TAXABLE YEAR IN WHICH A PROPERTY TAX CREDIT UNDER THIS SECTION IS TO**  
24 **BE GRANTED.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(3) (I) "BASE YEAR VALUE" MEANS THE VALUE OF THE PROPERTY USED TO DETERMINE THE ASSESSMENT ON WHICH THE PROPERTY TAX ON REAL PROPERTY WAS IMPOSED FOR THE BASE YEAR.

(II) "BASE YEAR VALUE" DOES NOT INCLUDE ANY NEW REAL PROPERTY THAT WAS FIRST ASSESSED IN THE BASE YEAR.

(4) "ELIGIBLE ASSESSMENT" MEANS THE DIFFERENCE BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

(5) "QUALIFIED OPPORTUNITY ZONE PROPERTY" MEANS REAL PROPERTY THAT:

(I) IS LOCATED IN AN OPPORTUNITY ZONE, AS DEFINED IN § 6-1001 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND

(II) WAS ACQUIRED BY THE TAXPAYER ON OR AFTER DECEMBER 31, 2019.

(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR A MUNICIPAL CORPORATION MAY GRANT, BY LAW, A TAX CREDIT UNDER THIS SECTION AGAINST THE PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED OPPORTUNITY ZONE PROPERTY IF THE TAXPAYER HAS INVESTED AT LEAST \$100,000, INCLUDING ACQUISITION COSTS AND IMPROVEMENTS, IN THE QUALIFIED OPPORTUNITY ZONE PROPERTY.

(C) THE CREDIT UNDER THIS SECTION SHALL BE EQUAL TO THE AMOUNT OF COUNTY PROPERTY TAX IMPOSED ON THE INCREASED VALUE OF THE QUALIFIED OPPORTUNITY ZONE PROPERTY THAT IS DUE TO THE IMPROVEMENTS MADE TO THE PROPERTY, MULTIPLIED BY:

(1) 100% FOR THE FIRST TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR THE TAX CREDIT; AND

(2) 10% IN THE SECOND THROUGH SIXTH TAXABLE YEARS.

(D) THE GOVERNING BODY OF A COUNTY OR A MUNICIPAL CORPORATION MAY ESTABLISH, BY LAW:

(1) ADDITIONAL ELIGIBILITY REQUIREMENTS FOR THE CREDIT

1 UNDER THIS SECTION;

2 (2) PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING  
3 OF REQUESTS FOR THE CREDIT; AND

4 (3) ANY OTHER PROVISIONS NECESSARY TO CARRY OUT THIS  
5 SECTION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
7 1, 2020, and shall be applicable to all taxable years beginning after June 30, 2020.