## **HOUSE BILL 302**

 $\begin{array}{c} \text{7lr2415} \\ \text{CF SB 389} \end{array}$ 

By: Delegates Jacobs, Arentz, and Ghrist

Introduced and read first time: January 25, 2017

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 15, 2017

CHAPTER

1 AN ACT concerning

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## Kent County - Property Tax Credit - Commerce Zones

- FOR the purpose of authorizing a certain property tax credit for certain business entities that obtain certain new, improved, or expanded premises in a certain commerce zone in Kent County; providing for the amount and duration of the property tax credit; authorizing the governing body of Kent County to provide, by law, for certain matters relating to the tax credit; defining certain terms; providing for the application of this Act; and generally relating to a property tax credit in Kent County for real property located in certain commerce zones.
- 10 BY adding to
- 11 Article Tax Property
- 12 Section 9–316
- 13 Annotated Code of Maryland
- 14 (2012 Replacement Volume and 2016 Supplement)
- 15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 16 That the Laws of Maryland read as follows:
- 17 Article Tax Property
- 18 **9–316.**
- 19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
- 20 INDICATED.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1	(2) "COMMERCE ZONE" MEANS A PRIORITY FUNDING AREA IN KENT
2	COUNTY DESIGNATED BY THE GOVERNING BODY OF KENT COUNTY AS A COMMERCE
3	ZONE.
4	(3) "NEW, IMPROVED, OR EXPANDED PREMISES" MEANS
5	COMMERCIAL OR INDUSTRIAL REAL PROPERTY, INCLUDING A BUILDING OR PART OF
6	A BUILDING THAT HAS NOT BEEN PREVIOUSLY OCCUPIED, WHERE A BUSINESS
7	ENTITY LOCATES TO CONDUCT BUSINESS.
8	(B) THE GOVERNING BODY OF KENT COUNTY MAY GRANT, BY LAW, A
9	PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY PROPERTY TAX
10	IMPOSED ON REAL PROPERTY OWNED BY A BUSINESS ENTITY THAT MEETS THE
11	REQUIREMENTS SPECIFIED UNDER THIS SECTION.
12	(C) TO QUALIFY FOR A PROPERTY TAX CREDIT UNDER THIS SECTION, A
13	BUSINESS ENTITY SHALL OBTAIN NEW, IMPROVED, OR EXPANDED PREMISES IN A
14	COMMERCE ZONE BY:
15	(1) PURCHASING NEWLY CONSTRUCTED PREMISES;
10	
16	(2) CONSTRUCTING NEW PREMISES, OR;
17	(2) CALIGING NEW DREWIGES TO BE CONSTRUCTED. OR
17	(3) CAUSING NEW PREMISES TO BE CONSTRUCTED; OR
18	(4) IMPROVING EXISTING PREMISES FOR OCCUPATION BY THE
19	BUSINESS ENTITY.
10	BOSINESS ENTITI.
20	(D) IF A BUSINESS ENTITY MEETS THE REQUIREMENTS UNDER SUBSECTION
	(C) OF THIS SECTION, THE PROPERTY TAX CREDIT GRANTED UNDER THIS SECTION
$\frac{-}{22}$	SHALL EQUAL A PERCENTAGE OF THE AMOUNT OF COUNTY PROPERTY TAX IMPOSED
$\frac{-}{23}$	ON THE ASSESSMENT OF THE NEW, IMPROVED, OR EXPANDED PREMISES, AS
$\frac{1}{24}$	FOLLOWS:
25	(1) 50% FOR EACH OF THE FIRST 5 TAXABLE YEARS;
26	(2) 25% IN TAXABLE YEARS 6 AND 7;
27	(3) 15% IN TAXABLE YEARS 8 THROUGH 10; AND

(E) THE GOVERNING BODY OF KENT COUNTY MAY PROVIDE, BY LAW, FOR:

0% FOR EACH TAXABLE YEAR THEREAFTER.

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$\frac{1}{2}$	(1) THE SPECIFIC ELIGIBILITY REQUIREMENTS FOR THE TAX CREDIT AUTHORIZED UNDER THIS SECTION;
$\frac{3}{4}$	(2) ANY ADDITIONAL LIMITATIONS ON ELIGIBILITY FOR THE CREDIT AND
5	(3) ANY OTHER PROVISION NECESSARY TO IMPLEMENT THE CREDIT.
6 7 8	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect all taxable years beginning after June 30, 2015.
9	SECTION 2. 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017, and shall be applicable to all taxable years beginning after June 30, 2017.
	Approved:
	Governor.
	Speaker of the House of Delegates.
	President of the Senate.