

**SB0581/639634/1**

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 581  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “Economic” insert “, Housing.”; in the same line, strike “Tax Credits”; in line 3, strike “Enhancement Program” and substitute “Incentives”; in line 4, after “of” insert “extending certain benefits under the More Jobs for Marylanders Program to businesses that locate or expand in opportunity zones in the State; extending the termination date of the Program; altering the maximum aggregate credit amounts of initial tax credit certificates the Department of Commerce may issue from the More Jobs for Marylanders Tax Credit Reserve Fund in a fiscal year; altering the calculation the Governor shall use in determining the amount to include in the budget for the More Jobs for Marylanders Tax Credit Reserve Fund; altering the information required to be contained in a certain report on the More Jobs for Marylanders Tax Credit; altering the maximum aggregate amount of sales and use tax refunds the Department of Commerce may issue from the More Jobs for Marylanders Sales and Use Tax Refund Reserve Fund in a fiscal year; altering the calculation of the amount of the property tax credit under the Program;”; in lines 6, 7, and 8, in each instance, after “Department” insert “of Commerce”; in line 15, after “circumstances;” insert “making a certain tax credit transferable and refundable under certain circumstances; prohibiting the Director from issuing initial tax credit certificates for targeted projects before a certain date and for more than a certain amount; altering the name of the heritage structure rehabilitation tax credit; extending for a certain number of years the termination date of a certain credit; authorizing the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to grant a property tax credit on a certain assessment of qualified opportunity zone business property under certain circumstances; authorizing the governing body of a county or municipal corporation to provide, by law, for certain matters relating to the credit; requiring a county or municipal corporation to provide certain reports to the General Assembly on or before certain dates; authorizing the Department of Commerce to provide financial assistance”

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 2 of 59**

to certain projects in certain opportunity zones in certain counties under certain circumstances; requiring the Division of Development Finance within the Department of Housing and Community Development to conduct certain outreach; authorizing the Department of Housing and Community Development to provide financial assistance to certain business and revitalization projects in certain opportunity zones in certain counties under certain circumstances; authorizing the availability of certain tax credits in certain opportunity zones in certain counties under certain circumstances; requiring the approval of a municipal corporation or a political subdivision for a certain proposed project affecting an opportunity zone in certain counties under certain circumstances; authorizing certain growth-related projects without the approval of the Board of Public Works under certain circumstances; requiring the Department of Commerce to report to the General Assembly on or before a certain date; requiring the Department of Planning to conduct and report the findings of a certain feasibility study to the Governor and the General Assembly on or before a certain date;”; in line 16, after “Act;” insert “altering and”; in line 16, strike “an”; in the same line, strike “zone” and substitute “zones.”; strike beginning with “enhancement” in line 17 down through “credit” in line 18 and substitute “and certain economic, housing, and community development programs”; after line 18, insert:

“BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 1-203.1(b)

Annotated Code of Maryland

(2014 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 4-704(a), 5-704(a)(1), 5-1303(a)(1), 6-301(f), 6-402(b)(1), 6-801, and 6-803 through 6-805

Annotated Code of Maryland

(2018 Replacement Volume)”;

**SB0581/639634/1 Budget and Taxation Committee  
Amendments to SB 581  
Page 3 of 59**

in line 21, strike “6–1009” and substitute “6–1008”; in line 27, strike “5A–303(a) through (c)” and substitute “5–7B–06, 5A–303, and 7–314(o)”; and after line 29, insert:

“BY repealing and reenacting, without amendments,

Article – Tax – General

Section 10–741(a)(1) and 11–411(b)

Annotated Code of Maryland

(2016 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 10–741(a)(9) and (10) and (b) through (e) and 11–411(d)

Annotated Code of Maryland

(2016 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,

Article – Tax – Property

Section 9–110(a)(1)

Annotated Code of Maryland

(2012 Replacement Volume and 2018 Supplement)

BY adding to

Article – Tax – Property

Section 9–110(a)(5) and (7) and 9–263

Annotated Code of Maryland

(2012 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 9–110(a)(5) and (6) and (b) and 9–230(b)(4)

Annotated Code of Maryland

(2012 Replacement Volume and 2018 Supplement)

(Over)

**SB0581/639634/1 Budget and Taxation Committee  
Amendments to SB 581  
Page 4 of 59**

BY adding to

Article – Housing and Community Development  
Section 4–104  
Annotated Code of Maryland  
(2006 Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Housing and Community Development  
Section 4–223(a), 4–508(g)(1), 6–201, 6–206(b), 6–301, 6–303(b), 6–304(b), and  
6–305(b)  
Annotated Code of Maryland  
(2006 Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,

Article – Housing and Community Development  
Section 4–508(a) and 6–305(a)  
Annotated Code of Maryland  
(2006 Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement  
Section 5–7B–01(c)(1)(iii)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2018 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 2, insert:

“Article – Corporations and Associations

1–203.1.

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 5 of 59**

(b) A qualified business entity that is a new business entity in a Tier I [county] AREA, as defined under the More Jobs for Marylanders Program established under Title 6, Subtitle 8 of the Economic Development Article, is not subject to the fees enumerated in § 1–203 of this subtitle.”;

after line 3, insert:

“6–801.

(a) In this subtitle the following words have the meanings indicated.

(b) “Benefit year” means a taxable year in which a qualified business entity claims a program benefit established under § 6–805 of this subtitle.

(c) (1) “Business entity” means a person conducting or operating a trade or business that is:

(I) primarily engaged in activities that, in accordance with the North American Industrial Classification System (NAICS), United States Manual, United States Office of Management and Budget, 2012 Edition, would be included in Sector 31, 32, or 33; OR

(II) LOCATED IN AN OPPORTUNITY ZONE.

(2) “Business entity” does not include:

(I) a refiner, as defined in § 10–101 of the Business Regulation Article; OR

(Over)

**(II) A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS THAT IS:**

**1. PROVIDING ADULT ENTERTAINMENT, AS DETERMINED BY THE DEPARTMENT;**

**2. PRIMARILY ENGAGED IN RETAIL ACTIVITIES, UNLESS THE PERSON IS OPERATING A GROCERY STORE LOCATED IN AN OPPORTUNITY ZONE; OR**

**3. PRIMARILY ENGAGED IN THE SALE OR DISTRIBUTION OF ALCOHOLIC BEVERAGES.**

**(d) “Eligible project” means a facility operated by a business entity in a Tier I [county] AREA or Tier II [county] AREA.**

**(e) “Existing business entity” means a business entity that is located in the State at the time it notifies the Department under § 6–803(c) of this subtitle.**

**(F) “GROCERY STORE” HAS THE MEANING STATED IN § 9–254 OF THE TAX – PROPERTY ARTICLE.**

**[(f)] (G) “New business entity” means a business entity that is not located in the State at the time it notifies the Department under § 6–803(b) of this subtitle.**

**(H) “OPPORTUNITY ZONE” MEANS AN AREA THAT HAS BEEN DESIGNATED AS A QUALIFIED OPPORTUNITY ZONE IN THE STATE UNDER § 1400Z–1 OF THE INTERNAL REVENUE CODE.**

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 7 of 59**

**[(g)] (I)** “Program” means the More Jobs for Marylanders Program established under this subtitle.

**[(h)] (J)** “Qualified business entity” means a new business entity or an existing business entity operating an eligible project under this subtitle.

**[(i)] (K)** (1) “Qualified position” means a position that:

(i) is full-time and of indefinite duration;

(ii) **1. FOR A POSITION IN A FACILITY THAT IS LOCATED IN AN OPPORTUNITY ZONE, PAYS AN AVERAGE ANNUAL SALARY THAT EXCEEDS \$50,000; OR**

**2. FOR A POSITION IN A FACILITY THAT IS NOT LOCATED IN AN OPPORTUNITY ZONE, pays at least 120% of the State minimum wage;**

(iii) is located in a facility;

(iv) is newly created at a single facility in the State; and

(v) is filled.

(2) “Qualified position” does not include a position that is:

(i) created when an employment function is shifted from an existing facility of a business entity in the State to another facility of the same business entity if the position is not a net new job in the State;

(ii) created through a change in ownership of a trade or business;

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 8 of 59**

(iii) created through a consolidation, merger, or restructuring of a business entity if the position is not a net new job in the State;

(iv) created when an employment function is contractually shifted from an existing business entity to another business entity in the State if the position is not a net new job in the State; or

(v) filled for a period of less than 12 months.

**[(j)] (L)** “Tier I [county] AREA” means:

(1) a Tier I county, as defined in § 1–101 of this article; [or]

(2) a county designated by the Department that is not a county described in item (1) of this subsection, not to exceed three counties; OR

**(3) AN OPPORTUNITY ZONE.**

**[(k)] (M)** “Tier II [county] AREA” means [a county] AN AREA that is not [a county] AN AREA described in subsection [(j)] (L) of this section.

6–803.

(a) A business entity may apply to the Department to enroll an eligible project in the Program if the eligible project:

(1) is in a Tier I [county] AREA and the business entity intends to create at least five qualified positions at the project location; or

(2) is in a Tier II [county] AREA and the business entity intends to create at least 10 qualified positions at the project location.



**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 9 of 59**

(b) (1) A new business entity may not be certified as a qualified business entity unless the new business entity:

(i) notifies the Department of its intent to seek designation of an eligible project before establishing its facility in the State; and

(ii) offers an ongoing job skills enhancement training program or postsecondary education program that is approved by the Department.

(2) The Department may certify a new business entity as a qualified business entity after the new business entity provides the required notice under paragraph (1)(i) of this subsection, applies to the Department under paragraph (3) of this subsection, and establishes and operates an eligible project.

(3) A new business entity shall submit to the Department an application containing at least the following information:

(i) the anticipated date of the establishment and initial operation of the facility and the nature of its operations;

(ii) the expected location of the facility;

(iii) the estimated number of qualified positions to be created and qualified employees to be hired and the anticipated payroll of the new qualified employees; and

(iv) any other information the Department requires.

(c) (1) An existing business entity may apply to be certified as a qualified business entity if the existing business entity increases the number of qualified

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 10 of 59**

positions as required under subsection (a) of this section for an eligible project in a Tier I AREA or A Tier II [county] AREA.

(2) An existing business entity may not be certified as a qualified business entity unless the business entity:

(i) notifies the Department of its intent to seek designation of an eligible project prior to hiring any employees to fill the qualified positions necessary to meet the requirements of this subtitle; and

(ii) offers an ongoing job skills enhancement training program or postsecondary education program that is approved by the Department.

(3) An existing business entity shall submit an application to the Department containing at least the following information:

(i) the number of full-time employees existing before the expansion and the payroll of the existing employees;

(ii) the estimated number of qualified positions to be created and qualified employees to be hired and the anticipated payroll of the new qualified employees; and

(iii) any other information that the Department requires.

(d) A business entity must begin hiring the employees to fill the qualified positions necessary to meet the requirements of this subtitle within 12 months after it notifies the Department of its intent to seek designation of an eligible project.

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 11 of 59**

(a) The Program benefits authorized under this section may be claimed by a qualified business entity for up to 10 consecutive benefit years.

(b) On enrollment in the Program:

(1) a new business entity in a Tier I [county] AREA is eligible for:

(i) a credit against the State income tax, established under § 10-741(b) of the Tax – General Article;

(ii) a credit against the State property tax, established under § 9-110 of the Tax – Property Article;

(iii) a refund of sales and use tax paid during the immediately preceding taxable year, as provided under § 11-411 of the Tax – General Article; and

(iv) a waiver of fees charged by the State Department of Assessments and Taxation, established under § 1-203.1 of the Corporations and Associations Article; and

(2) except as provided in subsection (c) of this section, an existing business entity that operates an eligible project is eligible for a credit against the State income tax, established under § 10-741(b) of the Tax – General Article.

(c) The income tax credit established under § 10-741(b) of the Tax – General Article is not available to an existing business entity if the entity moves its facility to another county in the State on or after June 1, 2017.

(d) If the number of qualified positions at the eligible project decreases to a number less than the number established in the first benefit year, the project shall be removed from the Program and all program benefits terminate.

(Over)

SB0581/639634/1 Budget and Taxation Committee  
Amendments to SB 581  
Page 12 of 59

6-805.

(a) The Department shall provide to a qualified business entity a certificate that:

- (1) certifies the eligible project that is enrolled in the Program;
- (2) provides the duration of the certification; and
- (3) provides any additional information necessary for the Comptroller and Department to administer the Program.

(b) The Department may not provide a qualified business entity a certificate on or after June 1, [2020] 2025.”;

after line 7, insert:

**“(B) “LEVEL 1 OPPORTUNITY ZONE ENHANCEMENT” MEANS AN ENHANCED TAX CREDIT UNDER THE PROGRAM FOR WHICH A QUALIFIED OPPORTUNITY ZONE BUSINESS OR QUALIFIED OPPORTUNITY FUND IS ELIGIBLE IF THE FOLLOWING INFORMATION IS PROVIDED TO THE DEPARTMENT:**

**(1) THE DATE OF THE QUALIFIED OPPORTUNITY FUND’S INVESTMENT IN THE QUALIFIED OPPORTUNITY ZONE BUSINESS AND THE AMOUNT OF THE INVESTMENT;**

**(2) THE TOTAL PROJECT OR BUSINESS INVESTMENT, INCLUDING ANY LEVERAGE;**

**(3) THE ADDRESS AND CENSUS TRACT OF THE QUALIFIED OPPORTUNITY ZONE BUSINESS AND THE QUALIFIED OPPORTUNITY FUND;**

(4) THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM CODE FOR THE QUALIFIED OPPORTUNITY ZONE BUSINESS;

(5) AN IMPACT REPORT, INCLUDING BOTH QUALITATIVE AND QUANTITATIVE DATA ON THE INVESTMENT AND ITS PROGRESS; AND

(6) ANY OTHER INFORMATION REQUESTED BY THE DEPARTMENT THAT MEETS THE TRANSPARENCY GOALS OF THE PROGRAM.

(C) “LEVEL 2 OPPORTUNITY ZONE ENHANCEMENT” MEANS AN ENHANCED TAX CREDIT UNDER THE PROGRAM FOR WHICH A QUALIFIED OPPORTUNITY ZONE BUSINESS OR QUALIFIED OPPORTUNITY FUND IS ELIGIBLE IF:

(1) THE REQUIREMENTS FOR A LEVEL 1 OPPORTUNITY ZONE ENHANCEMENT ARE MET;

(2) (I) ACCOUNTABILITY TO RESIDENTS OF THE COMMUNITIES IN THE OPPORTUNITY ZONE IS MAINTAINED THROUGH THEIR REPRESENTATION ON ANY GOVERNING BOARD OR ADVISORY BOARD OF THE QUALIFIED OPPORTUNITY ZONE BUSINESS; OR

(II) A COMMUNITY BENEFITS AGREEMENT IS NEGOTIATED AND AGREED TO BY COMMUNITY GROUPS OR STRATEGIC INDUSTRY PARTNERSHIPS, AS DEFINED UNDER § 11-701 OF THE LABOR AND EMPLOYMENT ARTICLE, IN THE OPPORTUNITY ZONE AND THE QUALIFIED OPPORTUNITY FUND THAT SPECIFIES A RANGE OF COMMUNITY BENEFITS THAT THE FUND AGREES TO PROVIDE AS PART OF THE DEVELOPMENT PROJECT, INCLUDING WORKFORCE

(Over)

DEVELOPMENT OR LOCAL HIRING REQUIREMENTS; AND

(3) (I) FOR A QUALIFIED OPPORTUNITY ZONE BUSINESS LOCATED IN AN OPPORTUNITY ZONE IN A MUNICIPAL CORPORATION, THE MUNICIPAL CORPORATION, BY RESOLUTION, APPROVES THE PROVISION OF THE ENHANCED TAX CREDITS UNDER THE PROGRAM WITHIN THE MUNICIPAL CORPORATION; OR

(I) FOR A QUALIFIED OPPORTUNITY ZONE BUSINESS LOCATED IN AN OPPORTUNITY ZONE THAT IS NOT A MUNICIPAL CORPORATION, THE COUNTY, BY RESOLUTION, APPROVES THE PROVISION OF THE ENHANCED TAX CREDITS UNDER THE PROGRAM WITHIN THE COUNTY.

(D) “OPPORTUNITY ZONE” MEANS AN AREA THAT HAS BEEN DESIGNATED AS A QUALIFIED OPPORTUNITY ZONE IN THE STATE UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE.”;

in line 8, strike “(B)” and substitute “(E)”; in line 19, after the semicolon insert “AND”; and strike beginning with the semicolon in line 21 down through “ZONE)” in line 23.

On pages 2 through 4, strike in their entirety the lines beginning with line 24 on page 2 through line 32 on page 4, inclusive, and substitute:

“(F) “QUALIFIED OPPORTUNITY FUND” HAS THE MEANING STATED IN § 1400Z-2 OF THE INTERNAL REVENUE CODE.

(G) “QUALIFIED OPPORTUNITY ZONE BUSINESS” HAS THE MEANING STATED IN § 1400Z-2 OF THE INTERNAL REVENUE CODE.

**(H) “QUALIFIED OPPORTUNITY ZONE BUSINESS PROPERTY” HAS THE MEANING STATED IN § 1400Z-2 OF THE INTERNAL REVENUE CODE.**

**(I) “QUALIFIED OPPORTUNITY ZONE PROPERTY” HAS THE MEANING STATED IN § 1400Z-2 OF THE INTERNAL REVENUE CODE.”.**

On page 5 in lines 15, 21, and 26, on page 6 in lines 13 and 18, on page 7 in lines 2, 9, 19, and 26, on page 8 in lines 14 and 17, and on page 9 in lines 1, 4, 17, and 20, in each instance, strike “**TIER**” and substitute “**LEVEL**”.

On page 5 in line 19, on page 6 in lines 10 and 31, on page 7 in line 16, and on page 9 in line 14, in each instance, strike “**MARYLAND**”.

On page 8, in line 13, after “**ARTICLE**” insert “**, IF THE QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY IS LOCATED IN AN OPPORTUNITY ZONE**”; and in line 31, after “**LOCATED**” insert “**IN AN OPPORTUNITY ZONE**”.

On page 9, after line 32, insert:

**“(3) “AGRICULTURAL STRUCTURE” MEANS A CERTIFIED HISTORIC STRUCTURE THAT IS USED OR WAS USED AS AN AGRICULTURAL FACILITY OR FOR PURPOSES RELATED TO AGRICULTURE.”.**

On page 10, in lines 1, 6, 8, 24, 28, and 32, strike “(3)”, “(4)”, “(5)”, “(6)”, “(7)”, and “(8)”, respectively, and substitute “**(4)**”, “**(5)**”, “**(6)**”, “**(7)**”, “**(8)**”, and “**(9)**”, respectively.

On page 11, in lines 1, 5, and 13, strike “(9)”, “(10)”, and “(11)”, respectively, and substitute “**(10)**”, “**(11)**”, and “**(12)**”, respectively; after line 19, insert:

**“(13) “LEVEL 1 OPPORTUNITY ZONE PROJECT” MEANS A SMALL COMMERCIAL PROJECT OR COMMERCIAL REHABILITATION COMPLETED BY A**

(Over)

QUALIFIED OPPORTUNITY ZONE BUSINESS IF THE FOLLOWING INFORMATION IS PROVIDED TO THE DIRECTOR:

(I) THE DATE OF THE QUALIFIED OPPORTUNITY FUND'S INVESTMENT IN THE OPPORTUNITY ZONE PROJECT AND THE AMOUNT OF THE INVESTMENT;

(II) THE TOTAL PROJECT OR BUSINESS INVESTMENT, INCLUDING ANY LEVERAGE;

(III) THE ADDRESS AND CENSUS TRACT OF THE QUALIFIED OPPORTUNITY ZONE BUSINESS AND THE QUALIFIED OPPORTUNITY FUND;

(IV) THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM CODE FOR THE QUALIFIED OPPORTUNITY ZONE BUSINESS;

(V) AN IMPACT REPORT, INCLUDING BOTH QUALITATIVE AND QUANTITATIVE DATA ON THE QUALIFIED OPPORTUNITY FUND'S INVESTMENT IN THE OPPORTUNITY ZONE PROJECT AND ITS PROGRESS; AND

(VI) ANY OTHER INFORMATION REQUESTED BY THE DIRECTOR.

(14) "LEVEL 2 OPPORTUNITY ZONE PROJECT" MEANS A SMALL COMMERCIAL PROJECT OR COMMERCIAL REHABILITATION COMPLETED BY A QUALIFIED OPPORTUNITY ZONE BUSINESS IF:

(I) THE REQUIREMENTS FOR A LEVEL 1 OPPORTUNITY ZONE PROJECT ARE MET;



(II) 1. ACCOUNTABILITY TO RESIDENTS OF THE COMMUNITIES IN THE QUALIFIED OPPORTUNITY ZONE IS MAINTAINED THROUGH THEIR REPRESENTATION ON ANY GOVERNING BOARD OR ANY ADVISORY BOARD OF THE QUALIFIED OPPORTUNITY ZONE BUSINESS; OR

2. A COMMUNITY BENEFITS AGREEMENT IS NEGOTIATED AND AGREED TO BY COMMUNITY GROUPS OR STRATEGIC INDUSTRY PARTNERSHIPS, AS DEFINED UNDER § 11-701 OF THE LABOR AND EMPLOYMENT ARTICLE, IN THE OPPORTUNITY ZONE AND THE QUALIFIED OPPORTUNITY ZONE BUSINESS THAT SPECIFIES A RANGE OF COMMUNITY BENEFITS THAT THE BUSINESS AGREES TO PROVIDE AS PART OF THE DEVELOPMENT PROJECT; AND

(III) 1. FOR AN OPPORTUNITY ZONE PROJECT LOCATED IN A MUNICIPAL CORPORATION, THE MUNICIPAL CORPORATION, BY RESOLUTION, APPROVES THE PROVISION WITHIN THE MUNICIPAL CORPORATION OF THE ENHANCED TAX CREDITS UNDER THIS SECTION; OR

2. FOR AN OPPORTUNITY ZONE PROJECT THAT IS NOT LOCATED IN A MUNICIPAL CORPORATION, THE COUNTY, BY RESOLUTION, APPROVES THE PROVISION WITHIN THE COUNTY OF THE ENHANCED TAX CREDITS UNDER THIS SECTION.”;

in lines 20, 23, 28, 30, and 32, strike “(12)”, “(13)”, “(14)”, “(15)”, and “(16)”, respectively, and substitute “(15)”, “(16)”, “(18)”, “(21)”, and “(22)”, respectively; after line 27, insert:

“(17) “OPPORTUNITY ZONE PROJECT” MEANS A CERTIFIED REHABILITATION WITHIN A GEOGRAPHICAL AREA DESIGNATED AND IN EFFECT

AS A QUALIFIED OPPORTUNITY ZONE IN THE STATE UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE.”;

after line 29, insert:

“(19) “POST-WORLD WAR II STRUCTURE” MEANS A CERTIFIED HISTORIC STRUCTURE THAT WAS BUILT AFTER DECEMBER 31, 1944, BUT BEFORE JANUARY 1, 1970.

(20) “QUALIFIED OPPORTUNITY FUND” HAS THE MEANING STATED IN § 6-1001 OF THE ECONOMIC DEVELOPMENT ARTICLE.”;

in line 30, strike “MARYLAND”; and in line 32, strike “MARYLAND”.

On page 12, strike in their entirety lines 2 and 3; and in lines 4, 22, and 31, strike “(18)”, “(19)”, and “(20)”, respectively, and substitute “(23)”, “(24)”, and “(25)”, respectively.

On page 13, strike beginning with “primarily” in line 1 down through “purposes” in line 6 and substitute “IF:”

(I) THE QUALIFIED REHABILITATION EXPENDITURES DO NOT EXCEED \$50,000; AND

(II) 1. THE STRUCTURE IS PRIMARILY USED FOR COMMERCIAL, INCOME-PRODUCING PURPOSES;

2. THE STRUCTURE:

**A. IS A RESIDENTIAL UNIT IN A CONSECUTIVE SERIES OF SIMILAR RESIDENTIAL UNITS THAT ARE ARRANGED IN A ROW, SIDE BY SIDE; AND**

**B. IS SOLD AS PART OF A DEVELOPMENT PROJECT FOR EXCLUSIVE OCCUPANCY TO, AND OCCUPIED BY, THE RESIDENT; OR**

**3. THE STRUCTURE IS A TARGETED PROJECT”;**

in lines 7, 9, and 11, strike “**(21)**”, “**(22)**”, and “**(23)**”, respectively, and substitute “**(26)**”, “**(27)**”, and “**(28)**”, respectively; and after line 18, insert:

**“(29) “TARGETED PROJECT” MEANS A REHABILITATION OF:**

**(I) AN AGRICULTURAL STRUCTURE; OR**

**(II) A POST-WORLD WAR II STRUCTURE.”.**

On pages 13 and 14, strike in their entirety the lines beginning with line 19 on page 13 through line 19 on page 14, inclusive.

On page 14, in line 25, strike “heritage structure rehabilitation” and substitute “**HISTORIC REVITALIZATION**”; and in line 32, strike “heritage structure rehabilitation” and substitute “**HISTORIC REVITALIZATION**”.

On page 15, in line 23, strike “heritage structure rehabilitation” and substitute “**HISTORIC REVITALIZATION**”; after line 32, insert:

“(XI) FOR COMMERCIAL REHABILITATIONS, ESTABLISH PROCEDURES FOR THE TRANSFER OF THE TAX CREDIT UNDER SUBSECTION (C)(6) OF THIS SECTION;”;

and in line 33, strike “(xi)” and substitute “(XII)”.

On page 16, in line 3, strike “and”; after line 3, insert:

“2. SPECIFY CRITERIA FOR DETERMINING WHETHER A CERTIFIED HISTORIC STRUCTURE IS:

A. AN AGRICULTURAL STRUCTURE; OR

B. A POST-WORLD WAR II STRUCTURE; AND”;

in line 4, strike “2.” and substitute “3.”; and in line 6, strike “(XII)” and substitute “(XIII)”.

On page 15 in lines 19 and 31, on page 16 in line 7, on page 18 in lines 10, 15, 20, 21, 23, 29, 30, and 31, and on page 19 in line 1, in each instance, strike “TIER” and substitute “LEVEL”.

On page 19, after line 33, insert:

“(6) (I) IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE DIRECTOR UNDER THIS SECTION, THE AMOUNT OF THE STATE TAX CREDIT ALLOWED, BUT NOT USED, FOR COMMERCIAL REHABILITATIONS UNDER THIS SECTION MAY BE TRANSFERRED IN WHOLE OR IN PART TO ANY INDIVIDUAL OR BUSINESS ENTITY.

(II) 1. FOR THE TAXABLE YEAR OF ANY TRANSFER UNDER THIS PARAGRAPH, THE TRANSFEREE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY APPLY THE TAX CREDIT AGAINST THE TOTAL TAX OTHERWISE PAYABLE BY THE TRANSFEREE IN THAT TAXABLE YEAR.

2. IF THE TAX CREDIT EXCEEDS THE STATE INCOME TAX OF THE TRANSFEREE IN ANY TAXABLE YEAR, THE TRANSFEREE:

A. MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS; OR

B. MAY TRANSFER THE REMAINDER OF THE TAX CREDIT TO ANY INDIVIDUAL OR BUSINESS ENTITY.

(d) (1) In this subsection, "Reserve Fund" means the [Heritage Structure Rehabilitation] HISTORIC REVITALIZATION Tax Credit Reserve Fund established under paragraph (2) of this subsection.

(2) (i) There is a [Heritage Structure Rehabilitation] HISTORIC REVITALIZATION Tax Credit Reserve Fund that is a continuing, nonlapsing special fund that is not subject to § 7-302 of this article.

(ii) The money in the Fund shall be invested and reinvested by the Treasurer, and interest and earnings shall be credited to the General Fund.

(iii) If the fees paid in any fiscal year are less than the directly related administrative costs of operating the [Heritage Structure Rehabilitation] HISTORIC REVITALIZATION Tax Credit Program, funds in the Reserve Fund shall be used for the directly related administrative costs of the Program.

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 22 of 59**

(3) (i) Subject to the provisions of this subsection, the Director shall issue an initial credit certificate for each commercial rehabilitation for which a plan of proposed rehabilitation is approved and the fees charged under subsection (b)(7)(i) of this section are paid.

(ii) An initial credit certificate issued under this subsection shall state the maximum amount of credit under this section for which the commercial rehabilitation may qualify.

(iii) 1. Except as otherwise provided in this subparagraph and in subsection (b)(7)(v) of this section, for any fiscal year, the Director may not issue initial credit certificates for credit amounts in the aggregate totaling more than the amount appropriated to the Reserve Fund for that fiscal year in the State budget as approved by the General Assembly.

2. If the aggregate credit amounts under initial credit certificates issued in a fiscal year total less than the amount appropriated to the Reserve Fund for that fiscal year as a result of the limitation under subsection (b)(6) of this section, any excess amount may be issued under initial credit certificates for projects in a county or Baltimore City in the same fiscal year, without regard to the limitation under subsection (b)(6) of this section.

3. Subject to subparagraph 2 of this subparagraph, if the aggregate credit amounts under initial credit certificates issued in a fiscal year total less than the amount appropriated to the Reserve Fund for that fiscal year, any excess amount shall remain in the Reserve Fund and may be issued under initial credit certificates for the next fiscal year.

4. For any fiscal year, if funds are transferred from the Reserve Fund under the authority of any provision of law other than paragraph (4) of this subsection, the maximum credit amounts in the aggregate for which the Director may issue initial credit certificates shall be reduced by the amount transferred.

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 23 of 59**

5. In each fiscal year, the Director shall estimate the amount of fees to be collected based on the amount appropriated to the Reserve Fund and reserve the difference between the estimated fees and estimated directly related administrative costs of the Program to be used to administer the Program.

6. If the reservation of funds to administer the Program under subparagraph 5 of this subparagraph is not necessary to cover the directly related administrative costs of the Program, any excess amount shall remain in the Reserve Fund and may be issued under initial credit certificates for the next fiscal year.

(iv) For each of fiscal years 2018 through [2022] 2024, the Governor shall include in the budget bill an appropriation to the Reserve Fund.

(v) Notwithstanding the provisions of § 7-213 of this article, the Governor may not reduce an appropriation [to] FOR the Reserve Fund in the State budget as approved by the General Assembly.

(vi) The Director may not issue an initial credit certificate for any fiscal year after fiscal year [2022] 2024.

(4) (i) Except as provided in this paragraph, money appropriated to the Reserve Fund shall remain in the Fund.

(ii) 1. Within 15 days after the end of each calendar quarter, the Trust shall notify the Comptroller as to each commercial rehabilitation completed and certified during the quarter:

A. the maximum credit amount stated in the initial credit certificate for the project; and

B. the final certified credit amount for the project.

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 24 of 59**

2. On notification that a project has been certified, the Comptroller shall transfer an amount equal to the maximum credit amount stated in the initial credit certificate for the project from the Reserve Fund to the General Fund.

(iii) 1. On or before October 1 of each year, the Trust shall notify the Comptroller as to the maximum credit amount stated in the initial credit certificate for each commercial rehabilitation for which the initial credit certificate has expired under subsection (c)(3) of this section as of the end of the prior fiscal year.

2. On notification that the initial credit certificate for a project has expired under subsection (c)(3) of this section, the Comptroller shall transfer an amount equal to the maximum credit amount stated in the initial credit certificate for the project from the Reserve Fund to the General Fund.

(e) (1) Subject to the provisions of this subsection, the Director shall issue an initial credit certificate for each approved small commercial project on a first-come, first-served basis.

(2) An initial credit certificate issued under this subsection shall state the maximum amount of tax credit for which the applicant is eligible.

(3) (I) The Director may not issue an initial credit certificate under this subsection[

(i) prior to January 1, 2015; or

(ii)] after the aggregate amount of initial credit certificates issued for small commercial projects totals \$4,000,000.

(II) FOR A TARGETED PROJECT, THE DIRECTOR MAY NOT ISSUE AN INITIAL CREDIT CERTIFICATE UNDER THIS SUBSECTION;



1. AFTER THE AGGREGATE AMOUNT OF INITIAL CREDIT CERTIFICATES ISSUED FOR AGRICULTURAL STRUCTURES TOTALS \$1,000,000; OR

2. AFTER THE AGGREGATE AMOUNT OF INITIAL CREDIT CERTIFICATES ISSUED FOR POST-WORLD WAR II STRUCTURES TOTALS \$1,000,000.

(f) (1) (i) In this subsection the following words have the meanings indicated.

(ii) 1. "Dispose of" means to transfer legal title or, in the case of a leasehold, the leasehold interest.

2. "Dispose of" includes to sell in a sale-and-leaseback transaction, to transfer on the foreclosure of a security interest, or to transfer by gift.

3. "Dispose of" does not include to transfer title or the leasehold interest to a creditor on creation of a security interest.

(iii) "Disqualifying work" means work that:

1. is performed on a certified rehabilitation; and

2. if performed as part of the rehabilitation certified under this section, would have made the rehabilitation ineligible for certification.

(2) The credit allowed under this section shall be recaptured as provided in paragraph (3) of this subsection if, during the taxable year in which a certified

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 26 of 59**

rehabilitation is completed or any of the 4 taxable years succeeding the taxable year in which the certified rehabilitation is completed:

(i) any disqualifying work is performed on the certified rehabilitation; or

(ii) for a commercial rehabilitation, the certified rehabilitation is complete and has been disposed of.

(3) (i) 1. If the disqualifying work is performed or the certified rehabilitation is disposed of during the taxable year in which the certified rehabilitation was completed, 100% of the credit shall be recaptured.

2. If the disqualifying work is performed or the certified rehabilitation is disposed of during the first full year succeeding the taxable year in which the certified rehabilitation was completed, 80% of the credit shall be recaptured.

3. If the disqualifying work is performed or the certified rehabilitation is disposed of during the second full year succeeding the taxable year in which the certified rehabilitation was completed, 60% of the credit shall be recaptured.

4. If the disqualifying work is performed or the certified rehabilitation is disposed of during the third full year succeeding the taxable year in which the certified rehabilitation was completed, 40% of the credit shall be recaptured.

5. If the disqualifying work is performed or the certified rehabilitation is disposed of during the fourth full year succeeding the taxable year in which the certified rehabilitation was completed, 20% of the credit shall be recaptured.

(ii) The individual or business entity that claimed the tax credit shall pay the amount to be recaptured as determined under subparagraph (i) of this

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 27 of 59**

paragraph as taxes payable to the State for the taxable year in which the disqualifying work is performed or the certified rehabilitation is disposed of.

(g) (1) The Comptroller may determine, under the process for return examination and audit under §§ 13–301 and 13–302 of the Tax – General Article:

(i) the amount of rehabilitation expenditures used in calculating the credit;

(ii) whether such expenditures are qualified rehabilitation expenditures under this section; and

(iii) whether the credit is allowable as claimed.

(2) The authority of the Comptroller to examine and audit a tax return does not limit the authority of the Director to determine whether a rehabilitation qualifies as a certified rehabilitation or whether a certificate of certified rehabilitation has been properly issued.

(3) The Comptroller may adopt regulations to require that an entity other than a corporation claim the tax credit on the tax return filed by that entity.

(4) (i) Except as otherwise provided in this paragraph, the credit under this section may be claimed for the year a certified rehabilitation is completed, only if the Director has, by the time the return is filed, issued a certificate of completion for the certified rehabilitation.

(ii) A taxpayer claiming the credit may amend a return for the year the certified rehabilitation was completed to account for a certificate issued subsequent to the filing of the original return.

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 28 of 59**

(iii) An amended return shall be filed within the period allowed under the Tax – General Article for filing refund claims.

(iv) The provisions of this paragraph do not extend the period in which a certified rehabilitation must be completed to be eligible for a tax credit under this section.

(v) An amended return may account for an amended certification issued by the Director for a certified rehabilitation.

(h) A refund payable under subsection (c) of this section:

(1) operates to reduce the income tax revenue from corporations if the person entitled to the refund is a corporation subject to the income tax under Title 10 of the Tax – General Article;

(2) operates to reduce insurance premium tax revenues if the person entitled to the refund is subject to taxation under Title 6 of the Insurance Article; and

(3) operates to reduce the income tax revenue from individuals if the person entitled to the refund is:

(i) an individual subject to the income tax under Title 10 of the Tax – General Article; or

(ii) an organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code.

(i) (1) On or before December 15 of each fiscal year, the Director shall report to the Governor and, subject to § 2–1246 of the State Government Article, to the General Assembly, on:

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 29 of 59**

(i) the initial credit certificates awarded for commercial rehabilitations and small commercial projects under this section for that fiscal year;

(ii) the tax credits awarded for certified rehabilitations completed in the preceding fiscal year;

(iii) whether the tax credits awarded for certified rehabilitations completed in the preceding fiscal year were located in:

1. a local historic district; or
2. a national register district; and

(iv) the estimated amount of directly related administrative costs reserved in the Reserve Fund, the estimated amount of fees to be collected, the actual directly related administrative costs, and the actual amount of fees collected.

(2) The report required under paragraph (1) of this subsection shall include for each initial credit certificate awarded for the fiscal year for a commercial rehabilitation:

(i) the name of the owner or developer of the commercial rehabilitation;

(ii) the name and address of the proposed or certified rehabilitation and the county where the project is located;

(iii) the dates of receipt and approval by the Director of all applications regarding the project, including applications:

1. for certification that a structure or property will qualify as a certified historic structure; and

(Over)

2. for approval of the proposed rehabilitation; and

(iv) the maximum amount of the credit stated in the initial credit certificate for the project and the estimated rehabilitation expenditures stated in the application for approval of the plan of proposed rehabilitation.

(3) The report required under paragraph (1) of this subsection shall include for each certified commercial rehabilitation completed during the preceding fiscal year:

(i) the name of the owner or developer of the commercial rehabilitation;

(ii) the name and address of the certified rehabilitation and the county where the project is located;

(iii) the dates of receipt and approval by the Director of all applications regarding the project; and

(iv) 1. the maximum amount of the credit stated in the initial credit certificate for the project and the estimated rehabilitation expenditures stated in the application for approval of the plan of proposed rehabilitation; and

2. the actual qualified rehabilitation expenditures and the final amount of the credit for which the project qualified.

(4) The report required under paragraph (1) of this subsection shall summarize for each category of certified rehabilitations:

(i) the total number of applicants for:

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 31 of 59**

1. certification that a structure or property will qualify as a certified historic structure;

2. approval of plans of proposed rehabilitations; or

3. certification of the completed rehabilitations;

(ii) the number of proposed projects for which plans of proposed rehabilitation were approved; and

(iii) the total estimated rehabilitation expenditures stated in approved applications for approval of plans of proposed rehabilitation and the total qualified rehabilitation expenditures for completed rehabilitations certified.

(5) The information required under paragraph (4) of this subsection shall be provided in the aggregate and separately for each of the following categories of certified rehabilitations:

(i) owner-occupied single family residential structures;

(ii) small commercial projects; and

(iii) commercial rehabilitations.

(j) (1) Subject to the provisions of this subsection, the provisions of this section and the tax credit authorized under this section shall terminate as of July 1, [2022] 2024.

(2) On and after July 1, [2022] 2024:

(i) the tax credit authorized under this section may be claimed for:

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 32 of 59**

1. a rehabilitation project, other than a commercial rehabilitation, for which an application for approval of a plan of proposed rehabilitation was received by the Director on or before June 30, [2022] 2024; or

2. a commercial rehabilitation for which an initial credit certificate has been awarded under subsection (d) of this section; and

(ii) the Director shall continue to report to the Governor and the General Assembly as required under subsection (i) of this section for as long as any rehabilitation project for which the tax credit may be claimed remains incomplete.

Article – Tax – General

10-741.

(a) (1) In this section the following words have the meanings indicated.

(9) “Tier I [county] AREA” has the meaning stated in § 6-801 of the Economic Development Article.

(10) “Tier II [county] AREA” has the meaning stated in § 6-801 of the Economic Development Article.

(b) (1) Subject to the limitations of this section, an individual or corporation that is a new business entity that operates an eligible project in a Tier I [county] AREA or an existing business entity that operates an eligible project may claim a credit against the State income tax equal to the amount stated in the final tax credit certificate approved by the Department for an eligible project.

(2) The amount of the credit authorized under paragraph (1) of this subsection is equal to the product of:



**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 33 of 59**

(i) the State employer withholding amount, which is equal to the highest tax rate listed in § 10–105(a) of this title; and

(ii) the total amount of wages paid for each qualified position at an eligible project.

(3) If the tax credit allowed under this section in any taxable year exceeds the total tax otherwise payable by the qualified business entity for that taxable year, the qualified business entity may claim a refund in the amount of the excess.

(c) (1) On enrollment in the More Jobs for Marylanders Program established under Title 6, Subtitle 8 of the Economic Development Article, a qualified business entity shall apply to the Department for a tax credit certificate.

(2) The application shall be in the form and shall contain the information the Department requires.

(3) (i) Subject to subsections (d) and (e) of this section, the Department may issue a tax credit certificate to a qualified business entity in an amount not to exceed the amount determined under subsection (b)(2) of this section.

(ii) In determining the allocation of the aggregate tax credit amounts available in a fiscal year as provided under subsection (d) of this section, the Department shall give priority to applications for eligible projects in a Tier I [county] AREA, as defined under § 6–801 of the Economic Development Article.

(d) (1) In this subsection, “Reserve Fund” means the More Jobs for Marylanders Tax Credit Reserve Fund established under paragraph (2) of this subsection.

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 34 of 59**

(2) (i) There is a More Jobs for Marylanders Tax Credit Reserve Fund that is a special continuing, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(ii) The money in the Reserve Fund shall be invested and reinvested by the Treasurer, and interest and earnings shall be credited to the General Fund.

(3) (i) Subject to the limitations of this subsection, the Department shall issue an initial tax credit certificate in an amount equal to a percentage of total wages paid for each qualified position at an eligible project as calculated under subsection (b)(2) of this section.

(ii) An initial tax credit certificate issued under this subsection shall state the maximum amount of tax credit for which the qualified business entity is eligible.

(iii) 1. Except as otherwise provided in this subparagraph, for any fiscal year, the Department may not issue initial tax credit certificates for credit amounts in the aggregate totaling more than ~~[\$9,000,000]~~ **\$11,000,000** in a fiscal year.

2. If the aggregate credit amounts under initial tax credit certificates issued in a fiscal year total less than the maximum provided under subparagraph 1 of this subparagraph, any excess amount shall remain in the Reserve Fund and may be issued under initial tax credit certificates for the next fiscal year.

3. For any fiscal year, if funds are transferred from the Reserve Fund under the authority of any provision of law other than under paragraph (4) of this subsection, the maximum credit amounts in the aggregate for which the Department may issue initial tax credit certificates shall be reduced by the amount transferred.

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 35 of 59**

(iv) For fiscal year 2019 and each fiscal year thereafter, the Governor shall include in the annual budget bill an appropriation to the Reserve Fund in an amount that is no less than the amount the Department reports is necessary under subsection (e) of this section to:

1. maintain the current level of manufacturing activity in the State; [and]
2. attract new manufacturing activity to the State; AND
3. ATTRACT NEW BUSINESSES TO AND ENCOURAGE THE EXPANSION OF EXISTING BUSINESSES WITHIN OPPORTUNITY ZONES IN THE STATE.

(v) Notwithstanding the provisions of § 7-213 of the State Finance and Procurement Article, the Governor may not reduce an appropriation to the Reserve Fund in the State budget as approved by the General Assembly.

(vi) Based on an amount equal to a percentage of the total actual wages paid for each qualified position at an eligible project as calculated under subsection (b)(2) of this section, the Department shall issue a final tax credit certificate to the qualified business entity.

(4) (i) Except as provided in this paragraph, money appropriated to the Reserve Fund shall remain in the Fund.

(ii) 1. Within 15 days after the end of each calendar quarter, the Department shall notify the Comptroller as to each final credit certificate issued during the quarter:

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 36 of 59**

A. the maximum credit amount stated in the initial tax credit certificate for the qualified business entity; and

B. the final certified credit amount for the qualified business entity.

2. On notification that a final credit amount has been certified, the Comptroller shall transfer an amount equal to the credit amount stated in the initial tax credit certificate for the qualified business entity from the Reserve Fund to the General Fund.

(e) On or before July 1 each year, the Department shall report to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on the amount of tax credits necessary to:

(1) maintain the current level of manufacturing activity in the State;  
[and]

(2) attract new manufacturing activity to the State; AND

**(3) ATTRACT NEW BUSINESSES TO AND ENCOURAGE THE EXPANSION OF EXISTING BUSINESSES WITHIN OPPORTUNITY ZONES IN THE STATE.**

11-411.

(b) Except as provided in § 6-805(b) of the Economic Development Article and subject to subsection (c) of this section, a qualified business entity is entitled to a refund for the amount of sales and use tax paid by the qualified business entity during the immediately preceding calendar year for a sale of qualified personal property or services made on or after January 1, 2018, if the qualified personal property or services are

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 37 of 59**

purchased by the qualified business entity solely for use at an eligible project while the project is enrolled in the Program.

(d) (1) There is a More Jobs for Marylanders Sales and Use Tax Refund Reserve Fund that is a special continuing, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(2) The money in the Reserve Fund shall be invested and reinvested by the State Treasurer, and interest and earnings shall be credited to the General Fund.

(3) The Department shall issue a refund in an amount equal to the amount claimed by the qualified business entity under subsection (c) of this section.

(4) (i) Except as otherwise provided in this paragraph, for any fiscal year, the Department may not issue sales and use tax refunds in amounts in the aggregate totaling more than ~~[\$1,000,000]~~ **\$1,250,000** in a fiscal year.

(ii) If the aggregate amount of sales and use tax refunds issued in a fiscal year totals less than the maximum provided under subparagraph (i) of this paragraph, any excess amount shall be transferred to the More Jobs for Marylanders Tax Credit Reserve Fund established under § 10–741 of this article.

(iii) For any fiscal year, if funds are transferred from the Reserve Fund under authority of any provision of law, the maximum amounts in the aggregate for which the Department may issue sales and use tax refunds shall be reduced by the amount transferred.

(5) For fiscal year 2019 and each fiscal year thereafter, the Governor shall include in the annual budget bill an appropriation to the Reserve Fund.

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 38 of 59**

(6) Notwithstanding the provisions of § 7–213 of the State Finance and Procurement Article, the Governor may not reduce an appropriation to the Reserve Fund in the State budget as approved by the General Assembly.”.

On page 20, strike in their entirety lines 3 through 16, inclusive; after line 16, insert:

“Article – Tax – Property

9–110.

(a) (1) In this section the following words have the meanings indicated.

**(5) “OPPORTUNITY ZONE” HAS THE MEANING STATED IN § 6–801 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

**[(5)] (6) “Qualified business entity” means a new business entity operating an eligible project in a Tier I [county] AREA, as defined under § 6–801 of the Economic Development Article.**

**(7) “QUALIFIED POSITION” HAS THE MEANING STATED IN § 6–801 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

**[(6)] (8) “Qualified property” means real property where an eligible project is located.**

(b) (1) There is a credit against the State property tax under this section imposed on real property owned by a qualified business entity enrolled in the More Jobs for Marylanders Program established under Title 6, Subtitle 8 of the Economic Development Article.

(2) The property tax credit provided under this section is equal to THE LESSER OF:

(I) 100% of all State property tax that is due; OR

(II) IF THE QUALIFIED PROPERTY IS LOCATED IN AN OPPORTUNITY ZONE, AN AMOUNT NOT EXCEEDING \$250 PER QUALIFIED POSITION FILLED AT THE QUALIFIED PROPERTY.

(3) The property tax credit provided under this section does not affect the amount of the county or municipal corporation property tax imposed on the property.

9-263.

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

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

(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 THE VALUE OF 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

(Over)

DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

(5) “QUALIFIED OPPORTUNITY FUND” HAS THE MEANING STATED IN § 1400Z-2 OF THE INTERNAL REVENUE CODE.

(6) “QUALIFIED OPPORTUNITY ZONE BUSINESS PROPERTY” HAS THE MEANING STATED IN § 1400Z-2 OF THE INTERNAL REVENUE CODE.

(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A TAX CREDIT UNDER THIS SECTION AGAINST THE PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF A QUALIFIED OPPORTUNITY ZONE BUSINESS PROPERTY IF THE PROPERTY WAS VACANT FOR AT LEAST 12 MONTHS BEFORE THE ACQUISITION OF THE PROPERTY BY A QUALIFIED OPPORTUNITY FUND.

(C) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY ESTABLISH, BY LAW:

(1) THE AMOUNT AND DURATION OF THE CREDIT UNDER THIS SECTION;

(2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE CREDIT UNDER THIS SECTION;

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



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

**(D) ON OR BEFORE JANUARY 1 OF THE CALENDAR YEAR FOLLOWING THE YEAR IN WHICH THE OPPORTUNITY ZONE TAX CREDIT IS INITIATED, AND EACH JANUARY 1 THEREAFTER, A COUNTY OR MUNICIPAL CORPORATION THAT GRANTS A TAX CREDIT UNDER THIS SECTION SHALL SUBMIT A REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE THAT DESCRIBES:**

**(1) THE TAX CREDIT PROGRAM; AND**

**(2) THE ECONOMIC IMPACT OF THE TAX CREDITS GRANTED UNDER THIS SECTION ON THE OPPORTUNITY ZONES.**

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Economic Development

4-704.

(a) The Secretary may designate an area as an arts and entertainment district only if the area is a contiguous geographic area that is wholly within:

**(1) a priority funding area as provided under § 5-7B-02 of the State Finance and Procurement Article; OR**

**(2) A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER §**

(Over)

**1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY.**

5-704.

(a) (1) The Secretary may only designate an area as an enterprise zone if the area:

(i) is in a priority funding area OR IN A QUALIFIED OPPORTUNITY ZONE UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY or meets an exception under Title 5, Subtitle 7B of the State Finance and Procurement Article; and

(ii) satisfies at least one of the requirements specified in paragraph (2) of this subsection.

5-1303.

(a) The Secretary may only designate an area as a BRAC Revitalization and Incentive Zone if the area:

(1) is located within a priority funding area as defined by Title 5, Subtitle 7B of the State Finance and Procurement Article OR A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY;

6-301.

(f) “State priority funding area” means:

**SB0581/639634/1 Budget and Taxation Committee  
Amendments to SB 581  
Page 43 of 59**

- (1) a municipal corporation;
- (2) Baltimore City;
- (3) a sustainable community, as defined in § 6–301 of the Housing and Community Development Article;
- (4) an enterprise zone designated by the Secretary under § 5–704 of this article;
- (5) an enterprise zone designated by the United States government under 42 U.S.C. §§ 11501 through 11505;
- (6) those areas of the State located between Interstate Highway 495 and the District of Columbia;
- (7) those areas of the State located between Interstate Highway 695 and Baltimore City;
- (8) any area in a county designated by the county as a priority funding area under § 5–7B–03(c) of the State Finance and Procurement Article; [and]
- (9) that portion of the Port Land Use Development Zone, as defined in § 6–501 of the Transportation Article, that has been designated as an area appropriate for growth in a county comprehensive master plan; AND
- (10) A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER § 1400Z–1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY.**

(Over)

**SB0581/639634/1 Budget and Taxation Committee  
Amendments to SB 581  
Page 44 of 59**

6-402.

(b) To be eligible for a project tax credit, a person shall:

(1) establish or expand a business facility that:

(i) is located in a Tier I county; and

(ii) 1. A. is located in a priority funding area under § 5-7B-02 of the State Finance and Procurement Article; or

[2.] B. is eligible for funding outside of a priority funding area under § 5-7B-05 or § 5-7B-06 of the State Finance and Procurement Article; OR

2. IS LOCATED IN A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY;

Article – Housing and Community Development

4-104.

THE DIVISION SHALL CONDUCT OUTREACH TO FACILITATE THE INVESTMENT BY QUALIFIED OPPORTUNITY FUNDS, AS DEFINED IN § 1400Z-2 OF THE INTERNAL REVENUE CODE, IN URBAN, SUBURBAN, AND RURAL NEIGHBORHOODS IN THE STATE.

4-223.

(a) A project qualifies as a business project if the project is:

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 45 of 59**

(1) located in:

**(I)** an area designated as a priority funding area under § 5-7B-02 of the State Finance and Procurement Article; OR

**(II)** A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY; and

(2) (i) acquired, owned, developed, constructed, reconstructed, rehabilitated, or improved by a person or an entity for the purposes of carrying on a business whether or not for profit; or

(ii) eligible for funding from the Neighborhood Business Development Fund under § 6-310 of this article.

4-508.

(a) In this section, “Fund” means the Strategic Demolition and Smart Growth Impact Fund.

(g) (1) The Fund may be used only to provide grants and loans to government agencies and community development organizations for interior and exterior demolition, land assembly, architecture and engineering, and site development for revitalization projects in an area designated as:

**(I)** a Sustainable Community; OR

**(II)** A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT

(Over)

COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY.

6-201.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Application” means an application to the Secretary that includes a request to:
  - (1) designate an area as a sustainable community;
  - (2) approve a sustainable community plan; or
  - (3) approve a community legacy project.
- (c) “Community development financial institution” has the meaning stated in 12 U.S.C. § 4702.
- (d) “Community development organization” means an entity that meets the qualifications of § 6-203 of this subtitle.
- (e) “Community legacy agreement” means an agreement between the Department and a sponsor to develop a sustainable community plan or to implement one or more community legacy projects in a designated sustainable community **OR AN ELIGIBLE OPPORTUNITY ZONE.**
- (f) “Community legacy project” includes [projects] **A PROJECT IN A SUSTAINABLE COMMUNITY OR AN ELIGIBLE OPPORTUNITY ZONE** to:
  - (1) create, improve, or preserve housing opportunities by acquiring, constructing, rehabilitating, or improving new or existing residential properties;

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 47 of 59**

(2) demolish buildings or improvements strategically to enhance the use of land;

(3) create, improve, or preserve commercial or mixed-use development, including an appropriate combination of properties related to business, housing, open-space, and institutional uses;

(4) develop public infrastructure that is incidental to the implementation of a community legacy project, such as streets, parking, public utilities, landscaping, lighting, and improvements to pedestrian and bicycle circulation;

(5) encourage and develop cooperative ownership or control of open space;

(6) develop or create strategies designed to increase investment in existing communities, including outreach activities to attract business, capital, residents, and visitors and the development and maintenance of resources directly related to the development of a sustainable community plan or the implementation of a community legacy project;

(7) engage in landbanking or otherwise acquire or improve vacant buildings or unimproved land;

(8) provide financial assistance for neighborhood intervention projects;  
or

(9) develop other plans or implement other projects as the Department considers necessary to further the purposes of this subtitle.

**(G) “ELIGIBLE OPPORTUNITY ZONE” MEANS AN AREA DESIGNATED AS A QUALIFIED OPPORTUNITY ZONE UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE THAT IS LOCATED IN ALLEGANY COUNTY, GARRETT COUNTY, SOMERSET**

(Over)

COUNTY, OR WICOMICO COUNTY.

[(g)] (H) “Financial assistance” includes:

- (1) a grant;
- (2) a loan;
- (3) a reduction in the principal obligation of or rate of interest payable on a loan or portion of a loan;
- (4) a prepayment of interest on a subordinate or superior loan or portion of a loan;
- (5) an assurance;
- (6) a guarantee; or
- (7) any other form of credit enhancement.

[(h)] (I) “Landbanking” means acquiring or holding improved and unimproved property:

- (1) in anticipation of future development of the property; or
- (2) to keep the future use of the property and improvements affordable.

[(i)] (J) “Priority funding area” means an area designated as a priority funding area under § 5-7B-02 of the State Finance and Procurement Article.

[(i)] (K) “Program” means the Community Legacy Program established by this subtitle.



**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 49 of 59**

[(k)] (L) “Smart Growth Subcabinet” means the subcabinet established under § 9–1406 of the State Government Article.

[(l)] (M) “Sustainable community” means the part of a priority funding area that:

(1) as determined by the Smart Growth Subcabinet, satisfies the requirements of § 6–205 of this subtitle;

(2) has been designated as a BRAC Revitalization and Incentive Zone under Title 5, Subtitle 13 of the Economic Development Article; or

(3) has been designated a transit-oriented development under § 7–101 of the Transportation Article.

[(m)] (N) “Sustainable community plan” means a plan consisting of one or more community legacy projects or other revitalization projects to prevent or reverse the decline of or disinvestment in a sustainable community through improvements in residential, commercial, or other public or private properties.

6–206.

(b) (1) The Department shall provide written notice to the political subdivision in which the proposed project is located.

(2) Except as provided in paragraph (5) of this subsection, the Department may not approve an application unless the political subdivision in which the proposed project is located approves the application by:

(i) resolution; or

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 50 of 59**

(ii) letter, delivered to the Department by the political subdivision's authorized designee, expressing support for the plan or project.

(3) If an application affects a sustainable community **OR AN ELIGIBLE OPPORTUNITY ZONE** entirely within a municipal corporation, the approval must come from the municipal corporation rather than the surrounding county.

(4) If an application affects a sustainable community **OR AN ELIGIBLE OPPORTUNITY ZONE** within more than one political subdivision, each political subdivision must approve it by:

(i) resolution; or

(ii) letter, delivered to the Department by the political subdivision's authorized designee, expressing support for the plan or project.

(5) If the Department does not receive notice of approval or denial of an application from the affected jurisdictions within 45 days after notice of the proposed project is given in accordance with paragraph (1) of this subsection, the Department may approve the application.

6-301.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) "Development costs" means the costs incurred to develop, redevelop, or expand a neighborhood business development project.

(2) "Development costs" includes the costs of:

(i) necessary studies, surveys, plans, and specifications;

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 51 of 59**

- (ii) architectural, engineering, or other special services, including flood plain studies, environmental audits, and critical area or wetland assessments;
- (iii) land and improvements;
- (iv) site preparation;
- (v) construction, reconstruction, and rehabilitation;
- (vi) machinery, equipment, and furnishings;
- (vii) essential operating costs, including working capital and occupancy expenses;
- (viii) indemnity and surety bonds and premiums on insurance;
- (ix) temporary relocation expenses; and
- (x) other costs determined to be acceptable by the Department.

**(C) “ELIGIBLE OPPORTUNITY ZONE” MEANS AN AREA DESIGNATED AS A QUALIFIED OPPORTUNITY ZONE UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE THAT IS LOCATED IN ALLEGANY COUNTY, GARRETT COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY.**

**[(c)] (D) “Food desert” means the part of a priority funding area OR AN ELIGIBLE OPPORTUNITY ZONE designated by the Secretary under § 6-308(c) of this subtitle.**

**[(d)] (E) “Fund” means the Neighborhood Business Development Fund.**

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 52 of 59**

[(e)] (F) “Microenterprise” means a business that qualifies as a microenterprise under § 6–302 of this subtitle.

[(f)] (G) “Priority funding area” means an area designated as a priority funding area under § 5–7B–02 of the State Finance and Procurement Article.

[(g)] (H) “Program” means the Neighborhood Business Development Program.

[(h)] (I) (1) “Project” means a neighborhood business development project that receives financial assistance from the Fund.

(2) “Project” includes a microenterprise project that receives financial assistance from the Fund.

[(i)] (J) “Small business” means a business that qualifies as a small business under § 6–302 of this subtitle.

[(j)] (K) “Sustainable community” means the part of a priority funding area that:

(1) as determined by the Smart Growth Subcabinet, satisfies the requirements of § 6–205 of this title;

(2) has been designated as a BRAC Revitalization and Incentive Zone under Title 5, Subtitle 13 of the Economic Development Article; or

(3) has been designated a transit-oriented development under § 7–101 of the Transportation Article.

6–303.

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 53 of 59**

(b) The purposes of the Program are:

(1) in priority funding areas **OR ELIGIBLE OPPORTUNITY ZONES**, to:

(i) help develop, redevelop, or expand small businesses and microenterprises;

(ii) stimulate investment by the private sector;

(iii) invest in revitalization projects for small businesses and microenterprises; and

(iv) stimulate political subdivisions to participate in developing and expanding small businesses and microenterprises; and

(2) in food deserts or parts of priority funding areas **OR ELIGIBLE OPPORTUNITY ZONES** that serve food deserts, to help create small businesses and other food-related enterprises that provide fresh fruits, vegetables, and other healthy foods to residents in the food desert.

6-304.

(b) The Business Development Program shall provide financial assistance to projects in priority funding areas **OR ELIGIBLE OPPORTUNITY ZONES**.

6-305.

(a) (1) A small business, nonprofit organization, or microenterprise may apply for financial assistance under the Business Development Program.

(2) The Department shall review each application.

(Over)

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 54 of 59**

(b) An applicant may qualify for financial assistance for a project in a priority funding area OR AN ELIGIBLE OPPORTUNITY ZONE if the application demonstrates that:

(1) the financial assistance from the Fund is the minimum amount necessary to make the project financially feasible;

(2) the project is ready to proceed when it receives financial assistance from the Business Development Program; and

(3) any food desert project includes a plan to seek out sources of Maryland-grown produce and Maryland produced foods.

Article – State Finance and Procurement

5-7B-01.

(c) (1) “Growth-related project” means only the items set forth below:

(iii) funding by the Department of Commerce under any of the following:

1. the Maryland Industrial Development Financing Authority, authorized under Title 5, Subtitle 4 of the Economic Development Article;

2. the Maryland Small Business Development Financing Authority, authorized under Title 5, Subtitle 5 of the Economic Development Article;

3. the former Maryland Energy Financing Act, authorized under former Article 83A, Title 6, Subtitle 4 of the Code, succeeded by the Maryland Industrial Development Financing Authority;

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 55 of 59**

4. the Economic Development Opportunities Program Fund, authorized under § 7-314 of this article;

5. the former Maryland Competitive Advantage Financing Fund, authorized under former Article 83A, Title 5, Subtitle 13 of the Code; and

6. the Maryland Economic Development Assistance Authority and Fund, authorized under Title 5, Subtitle 3 of the Economic Development Article;

5-7B-06.

(a) The State may provide funding for a growth-related project not in a priority funding area without receiving approval from the Board of Public Works as provided under § 5-7B-05 of this subtitle for:

(1) a project that is required to protect public health or safety;

(2) a project involving federal funds, to the extent compliance with this subtitle would conflict or be inconsistent with federal law; [or]

(3) a growth-related project related to a commercial or industrial activity which, due to its operational or physical characteristics, shall be located away from other development, including:

(i) a natural resource based industry;

(ii) an industry relating to:

1. agricultural operations, as defined in § 7-101 of the

(Over)

**SB0581/639634/1 Budget and Taxation Committee  
Amendments to SB 581  
Page 56 of 59**

Labor and Employment Article;

2. forestry activities; or

3. mineral extraction;

(iii) an industry that is proximate to:

1. an airport facility;

2. a port facility;

3. a railroad facility;

4. a transit facility; or

5. a major highway interchange; or

(iv) a tourism facility or museum that is required to be located away from other development due to necessary proximity to specific historic, natural, or cultural resources; OR

**(4) A GROWTH-RELATED PROJECT INVOLVING FUNDING FOR A PROJECT UNDER:**

**(I) § 7-314 OF THIS ARTICLE;**

**(II) TITLE 5, SUBTITLE 3, SUBTITLE 4, OR SUBTITLE 5 OF THE ECONOMIC DEVELOPMENT ARTICLE; OR**

**(III) TITLE 6, SUBTITLE 2 OR SUBTITLE 3 OF THE HOUSING**



AND COMMUNITY DEVELOPMENT ARTICLE.

(b) A procedure for notification, review, and comment on exceptions proposed under this section shall be established jointly by the applicable State agency and the Department of Planning.

7-314.

(o) (1) THIS SUBSECTION DOES NOT APPLY TO AN ECONOMIC DEVELOPMENT OPPORTUNITY LOCATED IN AN AREA DESIGNATED AS A QUALIFIED OPPORTUNITY ZONE UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY.

(2) In the case of an economic development opportunity located outside a priority funding area as established under Title 5, Subtitle 7B of this article, the Department shall first comply with the provisions of that subtitle before making a request for approval by the Legislative Policy Committee under this section.

Article – Tax – Property

9-230.

(b) (4) To qualify for a tax credit under this section, the new or expanded premises must be located in:

(I) a priority funding area as designated in Title 5, Subtitle 7B of the State Finance and Procurement Article; OR

(II) A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT

(Over)

**COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY.**

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1, 2019, the Department of Commerce shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on, for the immediately preceding 6 months:

(1) the programs for which a Level 1 or Level 2 opportunity zone enhancement under Title 6, Subtitle 10 of the Economic Development Article, as enacted by Section 1 of this Act, was claimed;

(2) the number of projects under each program for which a Level 1 or Level 2 opportunity zone enhancement under Title 6, Subtitle 10 of the Economic Development Article, as enacted by Section 1 of this Act, was claimed and the type of opportunity zone enhancement claimed; and

(3) the location of each project for which a Level 1 or Level 2 opportunity zone enhancement under Title 6, Subtitle 10 of the Economic Development Article, as enacted by Section 1 of this Act, was claimed.

SECTION 5. AND BE IT FURTHER ENACTED, That the Department of Planning shall:

(1) conduct a feasibility study on the development of an online application for the historic revitalization tax credit that integrates with applications administered by the Department of Housing and Community Development for the Community Legacy Program and the Baltimore Regional Neighborhood Initiative Program; and

(2) report the findings of the feasibility study to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on or before July 1, 2020.

**SB0581/639634/1 Budget and Taxation Committee**  
**Amendments to SB 581**  
**Page 59 of 59**

SECTION 6. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be applicable to all taxable years beginning after December 31, 2018.”;

in line 17, strike “3.” and substitute “7.”; after line 18, insert:

“SECTION 8. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect July 1, 2019.”;

in line 19, strike “4.” and substitute “9.”; in the same line, after “That” insert “, except as provided in Section 8 of this Act,”; and strike beginning with the second comma in line 20 down through “2018” in line 21.