

HOUSE BILL 1533

C8, Q4

(6lr3412)

ENROLLED BILL

— Ways and Means/Budget and Taxation —

Introduced by **Delegates P. Young, Aumann, Brooks, Cluster, Ebersole, Grammer, Hettleman, Jalisi, Krimm, Lafferty, Lam, Lisanti, Luedtke, Metzgar, Miele, Sydnor, West, and ~~K. Young~~ K. Young, Afzali, Long, and Patterson**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 ~~Enterprise Zones – Target Redevelopment Areas – Designation and~~ Baltimore
3 County – Sales and Use Tax Exemption – Redevelopment Areas

4 FOR the purpose of ~~authorizing a certain political subdivision to request that the Secretary~~
5 ~~of Commerce designate all or a part of a certain enterprise zone as a target~~
6 ~~redevelopment area for a certain period of time; providing that the request may be~~
7 ~~made on or before a certain submission date; requiring the Secretary to grant the~~
8 ~~request under certain circumstances; authorizing a person to apply to the~~
9 ~~Department of Economic Competitiveness and Commerce to certify that a~~
10 ~~construction project located in a certain target redevelopment area is a project for~~
11 ~~which the purchase of certain construction material or warehousing equipment is~~
12 ~~entitled to a certain exemption from the sales and use tax; providing an exemption~~
13 ~~from the sales and use tax for certain construction material or warehousing~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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

Italics indicate opposite chamber/conference committee amendments.



equipment ~~used on certain property in certain areas~~ *purchased for use in a certain target redevelopment area* in Baltimore County under certain circumstances; requiring a buyer claiming the exemption to provide certain evidence to a vendor; ~~providing that a person who utilizes certain exempt construction material or warehousing equipment for a purpose other than for a certain project is guilty of a misdemeanor and subject to a certain penalty;~~ defining certain terms; providing for the termination of this Act; and generally relating to ~~enterprise zones and~~ the sales and use tax.

~~BY repealing and reenacting, without amendments,~~

~~Article — Economic Development~~

~~Section 5-701(a), (d), and (f)~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2015 Supplement)~~

~~BY adding to~~

~~Article — Economic Development~~

~~Section 5-706.1~~

~~Annotated Code of Maryland~~

~~(2008 Volume and 2015 Supplement)~~

BY adding to

Article – Tax – General

Section 11-232 ~~and 13-1032~~

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

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

~~**Article — Economic Development**~~

~~5-701.~~

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

~~(d) “Enterprise zone” means an area:~~

~~(1) that meets the requirements of § 5-704(a) of this subtitle and is designated as an enterprise zone by the Secretary under § 5-704(b) of this subtitle;~~

~~(2) designated as an enterprise zone by the United States government under 42 U.S.C. §§ 11501 through 11505; or~~

~~(3) designated as an empowerment zone or enterprise community by the United States government under 26 U.S.C. §§ 1301 through 1307F.~~

1 (II) "CONSTRUCTION MATERIAL" INCLUDES BUILDING
2 MATERIALS, BUILDING SYSTEMS EQUIPMENT, LANDSCAPING MATERIALS, AND
3 SUPPLIES.

4 ~~(3) "QUALIFIED PROJECT" MEANS A CONSTRUCTION PROJECT THAT~~
5 ~~IS LOCATED IN A TARGET REDEVELOPMENT AREA AND FOR WHICH, AS CERTIFIED BY~~
6 ~~THE DEPARTMENT OF ECONOMIC COMPETITIVENESS AND COMMERCE UNDER §~~
7 ~~5-706.1 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE PURCHASE OF~~
8 ~~CONSTRUCTION MATERIAL OR WAREHOUSING EQUIPMENT IS ENTITLED TO THE~~
9 ~~SALES AND USE TAX EXEMPTION UNDER THIS SECTION.~~

10 ~~(4) "TARGET REDEVELOPMENT AREA" MEANS AN AREA DESIGNATED~~
11 ~~AS A TARGET REDEVELOPMENT AREA UNDER § 5-706.1 OF THE ECONOMIC~~
12 ~~DEVELOPMENT ARTICLE.~~

13 ~~(5) (3) "TARGET REDEVELOPMENT AREA" MEANS ANY REAL~~
14 ~~PROPERTY OWNED OR LEASED BY A PERSON IN BALTIMORE COUNTY THAT:~~

15 ~~(I) WAS PREVIOUSLY OWNED AT ANY TIME BY BETHLEHEM~~
16 ~~STEEL CORPORATION, OR ANY OF ITS SUBSIDIARIES; AND~~

17 ~~(II) WAS, AS OF JANUARY 1, 2016, THE SUBJECT OF AN~~
18 ~~APPROVED APPLICATION FOR PARTICIPATION IN THE VOLUNTARY CLEANUP~~
19 ~~PROGRAM UNDER TITLE 7, SUBTITLE 5 OF THE ENVIRONMENT ARTICLE.~~

20 (4) "WAREHOUSING EQUIPMENT" MEANS EQUIPMENT USED FOR
21 MATERIAL HANDLING AND STORAGE, INCLUDING RACKING SYSTEMS, CONVEYING
22 SYSTEMS, AND COMPUTER SYSTEMS AND EQUIPMENT.

23 (B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF CONSTRUCTION
24 MATERIAL OR WAREHOUSING EQUIPMENT, IF:

25 (1) THE MATERIAL OR EQUIPMENT IS PURCHASED BY A PERSON
26 SOLELY FOR USE IN A QUALIFIED PROJECT ON PROPERTY OWNED OR LEASED BY
27 THE PERSON ON A PRIVATELY OWNED INDUSTRIAL COMPLEX IN BALTIMORE
28 COUNTY THAT WAS OWNED BY BETHLEHEM STEEL CORPORATION, OR ANY OF ITS
29 SUBSIDIARIES, AND IS REDEVELOPED IN A TARGET REDEVELOPMENT AREA; AND

30 (2) THE PURCHASER BUYER PROVIDES THE VENDOR A COPY OF THE
31 CERTIFICATION ISSUED BY THE DEPARTMENT OF ECONOMIC COMPETITIVENESS
32 AND COMMERCE WITH EVIDENCE OF ELIGIBILITY FOR THE EXEMPTION ISSUED BY
33 THE COMPTROLLER.

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

3 (2) ~~“EXEMPTED CONSTRUCTION MATERIAL” MEANS CONSTRUCTION~~
4 ~~MATERIAL ON WHICH NO SALES AND USE TAX WAS PAID IN ACCORDANCE WITH §~~
5 ~~11-232 OF THIS ARTICLE.~~

6 (3) ~~“EXEMPTED WAREHOUSING EQUIPMENT” MEANS WAREHOUSING~~
7 ~~EQUIPMENT ON WHICH NO SALES AND USE TAX WAS PAID IN ACCORDANCE WITH §~~
8 ~~11-232 OF THIS ARTICLE.~~

9 (4) ~~“QUALIFIED PROJECT” HAS THE MEANING STATED IN § 11-232 OF~~
10 ~~THIS ARTICLE.~~

11 (B) ~~A PERSON WHO USES EXEMPTED CONSTRUCTION MATERIAL OR~~
12 ~~EXEMPTED WAREHOUSING EQUIPMENT FOR A PURPOSE OTHER THAN FOR A~~
13 ~~QUALIFIED PROJECT IS GUILTY OF A MISDEMEANOR AND, ON CONVICTION, IS~~
14 ~~SUBJECT TO A FINE NOT EXCEEDING \$5,000 OR IMPRISONMENT NOT EXCEEDING 5~~
15 ~~YEARS OR BOTH.~~

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 ~~October 1, 2016.~~ July 1, 2016. It shall remain effective for a period of 5 10 years and, at the
18 end of June 30, 2021 2026, with no further action required by the General Assembly, this
19 Act shall be abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.