

Chapter 126

(Senate Bill 389)

AN ACT concerning

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.

BY adding to

Article – Tax – Property

Section 9–316

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

Article – Tax – Property

9–316.

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

(2) “COMMERCE ZONE” MEANS A PRIORITY FUNDING AREA IN KENT COUNTY DESIGNATED BY THE GOVERNING BODY OF KENT COUNTY AS A COMMERCE ZONE.

(3) “NEW, IMPROVED, OR EXPANDED PREMISES” MEANS COMMERCIAL OR INDUSTRIAL REAL PROPERTY, INCLUDING A BUILDING OR PART OF A BUILDING THAT HAS NOT BEEN PREVIOUSLY OCCUPIED, WHERE A BUSINESS ENTITY LOCATES TO CONDUCT BUSINESS.

(B) THE GOVERNING BODY OF KENT COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY PROPERTY TAX IMPOSED ON REAL PROPERTY OWNED BY A BUSINESS ENTITY THAT MEETS THE REQUIREMENTS SPECIFIED UNDER THIS SECTION.

(C) TO QUALIFY FOR A PROPERTY TAX CREDIT UNDER THIS SECTION, A BUSINESS ENTITY SHALL OBTAIN NEW, IMPROVED, OR EXPANDED PREMISES IN A COMMERCE ZONE BY:

- (1) PURCHASING NEWLY CONSTRUCTED PREMISES;
- (2) CONSTRUCTING NEW PREMISES; ~~OR;~~
- (3) CAUSING NEW PREMISES TO BE CONSTRUCTED; OR
- (4) IMPROVING EXISTING PREMISES FOR OCCUPATION BY THE BUSINESS ENTITY.

(D) ~~(1) IF EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,~~ IF A BUSINESS ENTITY MEETS THE REQUIREMENTS UNDER SUBSECTION (C) OF THIS SECTION, THE PROPERTY TAX CREDIT GRANTED UNDER THIS SECTION SHALL EQUAL A PERCENTAGE OF THE AMOUNT OF COUNTY PROPERTY TAX IMPOSED ON THE ASSESSMENT OF THE NEW, IMPROVED, OR EXPANDED PREMISES, AS FOLLOWS:

- ~~(1) (1)~~ 50% FOR EACH OF THE FIRST 5 TAXABLE YEARS;
- ~~(2) (II) (2)~~ ~~25%~~ 40% ~~25%~~ IN TAXABLE YEARS 6 AND 7;
- ~~(3) (III) (3)~~ ~~15%~~ 30% ~~15%~~ IN TAXABLE YEARS 8 THROUGH 10; AND
- ~~(4) (IV) 20% IN TAXABLE YEARS 11 AND 12;~~
- ~~(V) 15% IN TAXABLE YEARS 13 AND 14;~~
- ~~(VI) 10% IN TAXABLE YEAR 15; AND~~
- ~~(VII) 0% FOR EACH TAXABLE YEAR THEREAFTER.~~

~~(2) IF THE NEW, IMPROVED, OR EXPANDED PREMISES IS ALSO LOCATED IN AN ENTERPRISE ZONE IN KENT COUNTY, THE PROPERTY TAX CREDIT UNDER THIS SECTION MAY NOT BE GRANTED FOR THE FIRST 10 TAXABLE YEARS BUT MAY BE GRANTED FOR TAXABLE YEARS 11 THROUGH 15 AS PROVIDED IN ITEMS (IV) THROUGH (VI) OF PARAGRAPH (1) OF THIS SUBSECTION.~~

- (4) 0% FOR EACH TAXABLE YEAR THEREAFTER.

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

(1) THE SPECIFIC ELIGIBILITY REQUIREMENTS FOR THE TAX CREDIT AUTHORIZED UNDER THIS SECTION;

(2) ANY ADDITIONAL LIMITATIONS ON ELIGIBILITY FOR THE CREDIT;
AND

(3) ANY OTHER PROVISION NECESSARY TO IMPLEMENT THE CREDIT.

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.

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 by the Governor, April 11, 2017.