

SENATE BILL 581

C8, Q3, Q1

9lr0857
CF HB 1260

By: Senators Ferguson, Feldman, Guzzone, and Klausmeier ~~and Klausmeier~~ Klausmeier, Eckardt, Edwards, Hayes, Hester, Rosapepe, and Serafini

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 22, 2019

CHAPTER _____

1 AN ACT concerning

2 **Economic, Housing, and Community Development Tax Credits – Opportunity**
3 **Zone Enhancement Program Incentives**

4 FOR the purpose of extending certain benefits under the More Jobs for Marylanders
5 Program to businesses that locate or expand in opportunity zones in the State;
6 extending the termination date of the Program; altering the maximum aggregate
7 credit amounts of initial tax credit certificates the Department of Commerce may
8 issue from the More Jobs for Marylanders Tax Credit Reserve Fund in a fiscal year;
9 altering the calculation the Governor shall use in determining the amount to include
10 in the budget for the More Jobs for Marylanders Tax Credit Reserve Fund; altering
11 the information required to be contained in a certain report on the More Jobs for
12 Marylanders Tax Credit; altering the maximum aggregate amount of sales and use
13 tax refunds the Department of Commerce may issue from the More Jobs for
14 Marylanders Sales and Use Tax Refund Reserve Fund in a fiscal year; altering the
15 calculation of the amount of the property tax credit under the Program; establishing
16 the Opportunity Zone Enhancement Program in the Department of Commerce;
17 expanding certain economic development tax credits administered by the
18 Department of Commerce under certain circumstances; requiring the Department of
19 Commerce to administer the tax credit enhancements under the Program; requiring
20 the Department of Commerce to maintain and publish certain information on its
21 website, subject to certain limitations; authorizing a certain additional tax credit
22 under the heritage structure rehabilitation tax credit program for certain
23 commercial rehabilitations that qualify as certain opportunity zone projects;
24 requiring the Director of the Maryland Historical Trust, in consultation with the

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.



1 Smart Growth Subcabinet, to adopt certain regulations specifying certain criteria
 2 and procedures; increasing by a certain amount the maximum tax credit allowed for
 3 certain rehabilitations under certain circumstances; making a certain tax credit
 4 transferable and refundable under certain circumstances; prohibiting the Director
 5 from issuing initial tax credit certificates for targeted projects before a certain date
 6 and for more than a certain amount; altering the name of the heritage structure
 7 rehabilitation tax credit; extending for a certain number of years the termination
 8 date of a certain credit; authorizing the Mayor and City Council of Baltimore City or
 9 the governing body of a county or municipal corporation to grant a property tax credit
 10 on a certain assessment of qualified opportunity zone business property under
 11 certain circumstances; authorizing the governing body of a county or municipal
 12 corporation to provide, by law, for certain matters relating to the credit; requiring a
 13 county or municipal corporation to provide certain reports to the General Assembly
 14 on or before certain dates; authorizing the Department of Commerce to provide
 15 financial assistance to certain projects in certain opportunity zones in certain
 16 counties under certain circumstances; requiring the Department of Housing and
 17 Community Development to report to certain committees of the General Assembly
 18 on or before a certain date each year; requiring the Division of Development Finance
 19 within the Department of Housing and Community Development to conduct certain
 20 outreach; authorizing the Department of Housing and Community Development to
 21 provide financial assistance to certain business and revitalization projects in certain
 22 opportunity zones in certain counties under certain circumstances; authorizing the
 23 availability of certain tax credits in certain opportunity zones in certain counties
 24 under certain circumstances; requiring the approval of a municipal corporation or a
 25 political subdivision for a certain proposed project affecting an opportunity zone in
 26 certain counties under certain circumstances; authorizing certain growth-related
 27 projects without the approval of the Board of Public Works under certain
 28 circumstances; requiring the Department of Commerce to report to the General
 29 Assembly on or before a certain date; requiring the Department of Planning to
 30 conduct and report the findings of a certain feasibility study to the Governor and the
 31 General Assembly on or before a certain date; providing for the application of this
 32 Act; altering and defining certain terms; and generally relating to ~~an~~ opportunity
 33 zone zones, ~~enhancement program in the Department of Commerce and the heritage~~
 34 ~~structure rehabilitation tax credit~~ and certain economic, housing, and community
 35 development programs.

36 BY repealing and reenacting, with amendments,

37 Article – Corporations and Associations

38 Section 1–203.1(b)

39 Annotated Code of Maryland

40 (2014 Replacement Volume and 2018 Supplement)

41 BY repealing and reenacting, with amendments,

42 Article – Economic Development

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

45 Annotated Code of Maryland

- 1 (2018 Replacement Volume)
- 2 BY adding to
- 3 Article – Economic Development
- 4 Section 6–1001 through ~~6–1009~~ 6–1008 to be under the new subtitle “Subtitle 10.
- 5 Opportunity Zone Enhancement Program”
- 6 Annotated Code of Maryland
- 7 (2018 Replacement Volume)
- 8 BY repealing and reenacting, with amendments,
- 9 Article – State Finance and Procurement
- 10 Section ~~5A–303(a) through (e)~~ 5–7B–06, 5A–303, and 7–314(o)
- 11 Annotated Code of Maryland
- 12 (2015 Replacement Volume and 2018 Supplement)
- 13 BY repealing and reenacting, without amendments,
- 14 Article – Tax – General
- 15 Section 10–741(a)(1) and 11–411(b)
- 16 Annotated Code of Maryland
- 17 (2016 Replacement Volume and 2018 Supplement)
- 18 BY repealing and reenacting, with amendments,
- 19 Article – Tax – General
- 20 Section 10–741(a)(9) and (10) and (b) through (e) and 11–411(d)
- 21 Annotated Code of Maryland
- 22 (2016 Replacement Volume and 2018 Supplement)
- 23 BY repealing and reenacting, without amendments,
- 24 Article – Tax – Property
- 25 Section 9–110(a)(1)
- 26 Annotated Code of Maryland
- 27 (2012 Replacement Volume and 2018 Supplement)
- 28 BY adding to
- 29 Article – Tax – Property
- 30 Section 9–110(a)(5) and (7) and 9–263
- 31 Annotated Code of Maryland
- 32 (2012 Replacement Volume and 2018 Supplement)
- 33 BY repealing and reenacting, with amendments,
- 34 Article – Tax – Property
- 35 Section 9–110(a)(5) and (6) and (b) and 9–230(b)(4)
- 36 Annotated Code of Maryland
- 37 (2012 Replacement Volume and 2018 Supplement)
- 38 BY adding to
- 39 Article – Housing and Community Development

1 Section 2–301 to be under the new subtitle “Subtitle 3. Miscellaneous Reporting
 2 Requirements”; and 4–104
 3 Annotated Code of Maryland
 4 (2006 Volume and 2018 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – Housing and Community Development
 7 Section 4–223(a), 4–508(g)(1), 6–201, 6–206(b), 6–301, 6–303(b), 6–304(b), and
 8 6–305(b)
 9 Annotated Code of Maryland
 10 (2006 Volume and 2018 Supplement)

11 BY repealing and reenacting, without amendments,
 12 Article – Housing and Community Development
 13 Section 4–508(a) and 6–305(a)
 14 Annotated Code of Maryland
 15 (2006 Volume and 2018 Supplement)

16 BY repealing and reenacting, without amendments,
 17 Article – State Finance and Procurement
 18 Section 5–7B–01(c)(1)(iii)
 19 Annotated Code of Maryland
 20 (2015 Replacement Volume and 2018 Supplement)

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

23 **Article – Corporations and Associations**

24 1–203.1.

25 (b) A qualified business entity that is a new business entity in a Tier I [county]
 26 AREA, as defined under the More Jobs for Marylanders Program established under Title 6,
 27 Subtitle 8 of the Economic Development Article, is not subject to the fees enumerated in §
 28 1–203 of this subtitle.

29 **Article – Economic Development**

30 6–801.

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

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

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

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

5 **(II) LOCATED IN AN OPPORTUNITY ZONE.**

6 **(2)** “Business entity” does not include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (ii) 1. EXCEPT AS PROVIDED IN ITEM 2 OF THIS ITEM, FOR A
 6 POSITION IN A FACILITY THAT IS LOCATED IN AN OPPORTUNITY ZONE, PAYS AN
 7 AVERAGE ANNUAL SALARY THAT EXCEEDS \$50,000; OR

8 2. FOR A POSITION IN A FACILITY ~~THAT IS NOT LOCATED~~
 9 ~~IN AN OPPORTUNITY ZONE~~ OF A BUSINESS ENTITY DESCRIBED UNDER SUBSECTION
 10 (C)(1)(I) OF THIS SECTION, pays at least 120% of the State minimum wage;

11 (iii) is located in a facility;

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

13 (v) is filled.

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

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

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

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

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

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

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

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

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

29 (3) AN OPPORTUNITY ZONE.

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

3 6–803.

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

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

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

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

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

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

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

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

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

24 (ii) the expected location of the facility;

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

28 (iv) any other information the Department requires.

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

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

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

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

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

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

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

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

17 (iii) any other information that the Department requires.

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

21 6-804.

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

24 (b) On enrollment in the Program:

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

26 (i) a credit against the State income tax, established under §
27 10-741(b) of the Tax – General Article;

28 (ii) a credit against the State property tax, established under §
29 9-110 of the Tax – Property Article;

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

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

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

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

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

13 6–805.

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

15 (1) certifies the eligible project that is enrolled in the Program;

16 (2) provides the duration of the certification; and

17 (3) provides any additional information necessary for the Comptroller and
18 Department to administer the Program.

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

21 **SUBTITLE 10. OPPORTUNITY ZONE ENHANCEMENT PROGRAM.**

22 **6–1001.**

23 (A) **IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
24 **INDICATED.**

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

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

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

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

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

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

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

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

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

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

20 **(II) A COMMUNITY BENEFITS AGREEMENT IS NEGOTIATED AND**
21 **AGREED TO BY COMMUNITY GROUPS OR STRATEGIC INDUSTRY PARTNERSHIPS, AS**
22 **DEFINED UNDER § 11-701 OF THE LABOR AND EMPLOYMENT ARTICLE, IN THE**
23 **OPPORTUNITY ZONE AND THE QUALIFIED OPPORTUNITY FUND THAT SPECIFIES A**
24 **RANGE OF COMMUNITY BENEFITS THAT THE FUND AGREES TO PROVIDE AS PART OF**
25 **THE DEVELOPMENT PROJECT, INCLUDING WORKFORCE DEVELOPMENT OR LOCAL**
26 **HIRING REQUIREMENTS; AND**

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

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

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

4 ~~(B)~~ **(E) “PROGRAM” MEANS THE OPPORTUNITY ZONE ENHANCEMENT**
5 **PROGRAM IN THE DEPARTMENT ESTABLISHED UNDER § 6-1002 OF THIS SUBTITLE**
6 **THAT ALLOWS ENHANCED TAX CREDITS UNDER:**

7 **(1) § 6-304 OF THIS TITLE (JOB CREATION);**

8 **(2) § 6-403 OF THIS TITLE (ONE MARYLAND ECONOMIC**
9 **DEVELOPMENT);**

10 **(3) § 10-702 OF THE TAX – GENERAL ARTICLE (WAGES PAID IN AN**
11 **ENTERPRISE ZONE);**

12 **(4) § 10-725 OF THE TAX – GENERAL ARTICLE (BIOTECHNOLOGY**
13 **INVESTMENT INCENTIVE);**

14 **(5) § 10-733 OF THE TAX – GENERAL ARTICLE (CYBERSECURITY**
15 **INVESTMENT INCENTIVE); AND**

16 **(6) § 10-741 OF THE TAX – GENERAL ARTICLE (MORE JOBS FOR**
17 **MARYLANDERS); ~~AND~~**

18 ~~**(7) § 9-103.1 OF THE TAX – PROPERTY ARTICLE (QUALIFIED**~~
19 ~~**PROPERTY IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE).**~~

20 ~~**(C) “QUALIFIED MARYLAND OPPORTUNITY ZONE” MEANS A**~~
21 ~~**GEOGRAPHICAL AREA DESIGNATED AND IN EFFECT AS A QUALIFIED OPPORTUNITY**~~
22 ~~**ZONE IN THE STATE UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE.**~~

23 ~~**(D) “QUALIFIED MARYLAND OPPORTUNITY ZONE BUSINESS” MEANS A**~~
24 ~~**TRADE OR BUSINESS IN WHICH SUBSTANTIALLY ALL OF THE TANGIBLE PROPERTY**~~
25 ~~**USED IN THE TRADE OR BUSINESS IS QUALIFIED MARYLAND OPPORTUNITY ZONE**~~
26 ~~**BUSINESS PROPERTY.**~~

27 ~~**(E) “QUALIFIED MARYLAND OPPORTUNITY ZONE BUSINESS PROPERTY”**~~
28 ~~**MEANS TANGIBLE PROPERTY USED IN A TRADE OR BUSINESS OF A QUALIFIED**~~
29 ~~**OPPORTUNITY FUND IF:**~~

1 ~~(1) THE PROPERTY WAS ACQUIRED BY THE QUALIFIED OPPORTUNITY~~
2 ~~FUND BY PURCHASE, AS DEFINED IN § 179(D)(2) OF THE INTERNAL REVENUE CODE,~~
3 ~~AFTER DECEMBER 31, 2018;~~

4 ~~(2) (I) THE ORIGINAL USE OF THE PROPERTY IN THE QUALIFIED~~
5 ~~MARYLAND OPPORTUNITY ZONE COMMENCES WITH THE QUALIFIED OPPORTUNITY~~
6 ~~FUND; OR~~

7 ~~(II) THE QUALIFIED OPPORTUNITY FUND SUBSTANTIALLY~~
8 ~~IMPROVES THE PROPERTY; AND~~

9 ~~(3) DURING SUBSTANTIALLY ALL OF THE QUALIFIED OPPORTUNITY~~
10 ~~FUND'S HOLDING PERIOD OF THE PROPERTY, SUBSTANTIALLY ALL THE USE OF THE~~
11 ~~PROPERTY WAS IN A QUALIFIED MARYLAND OPPORTUNITY ZONE.~~

12 ~~(F) "QUALIFIED MARYLAND OPPORTUNITY ZONE PROPERTY" MEANS~~
13 ~~PROPERTY THAT IS QUALIFIED MARYLAND OPPORTUNITY ZONE;~~

14 ~~(1) STOCK;~~

15 ~~(2) PARTNERSHIP INTEREST; OR~~

16 ~~(3) BUSINESS PROPERTY.~~

17 ~~(G) "QUALIFIED OPPORTUNITY FUND" MEANS AN INVESTMENT VEHICLE~~
18 ~~THAT IS ORGANIZED AS A CORPORATION OR PARTNERSHIP FOR THE PURPOSE OF~~
19 ~~INVESTING IN QUALIFIED OPPORTUNITY ZONE PROPERTY UNDER § 1400Z-1 OF THE~~
20 ~~INTERNAL REVENUE CODE, OTHER THAN ANOTHER QUALIFIED OPPORTUNITY ZONE~~
21 ~~FUND, THAT HOLDS AT LEAST 90% OF ITS ASSETS IN QUALIFIED MARYLAND~~
22 ~~OPPORTUNITY ZONE PROPERTY, DETERMINED BY THE AVERAGE OF THE~~
23 ~~PERCENTAGE OF QUALIFIED MARYLAND OPPORTUNITY ZONE PROPERTY HELD IN~~
24 ~~THE FUND AS MEASURED;~~

25 ~~(1) ON THE LAST DAY OF THE FIRST 6 MONTH PERIOD OF THE~~
26 ~~TAXABLE YEAR OF THE FUND; AND~~

27 ~~(2) ON THE LAST DAY OF THE TAXABLE YEAR OF THE FUND.~~

28 ~~(H) "TIER 1 OPPORTUNITY ZONE ENHANCEMENT" MEANS AN ENHANCED~~
29 ~~TAX CREDIT UNDER THE PROGRAM FOR WHICH A QUALIFIED MARYLAND~~
30 ~~OPPORTUNITY ZONE BUSINESS OR QUALIFIED OPPORTUNITY FUND IS ELIGIBLE IF~~
31 ~~THE FOLLOWING INFORMATION IS PROVIDED TO THE DEPARTMENT;~~

1 ~~(1) THE DATE OF THE QUALIFIED OPPORTUNITY FUND'S INVESTMENT~~
2 ~~IN THE QUALIFIED MARYLAND OPPORTUNITY ZONE BUSINESS AND THE AMOUNT OF~~
3 ~~THE INVESTMENT;~~

4 ~~(2) THE TOTAL PROJECT OR BUSINESS INVESTMENT, INCLUDING ANY~~
5 ~~LEVERAGE;~~

6 ~~(3) THE ADDRESS AND CENSUS TRACT OF THE QUALIFIED MARYLAND~~
7 ~~OPPORTUNITY ZONE BUSINESS AND THE QUALIFIED OPPORTUNITY FUND;~~

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

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

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

14 ~~(I) "TIER 2 OPPORTUNITY ZONE ENHANCEMENT" MEANS AN ENHANCED~~
15 ~~TAX CREDIT UNDER THE PROGRAM FOR WHICH A QUALIFIED MARYLAND~~
16 ~~OPPORTUNITY ZONE BUSINESS OR QUALIFIED OPPORTUNITY FUND IS ELIGIBLE IF:~~

17 ~~(1) THE REQUIREMENTS FOR A TIER 1 OPPORTUNITY ZONE~~
18 ~~ENHANCEMENT ARE MET; AND~~

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

23 ~~(II) A COMMUNITY BENEFITS AGREEMENT IS NEGOTIATED AND~~
24 ~~AGREED TO BY COMMUNITY GROUPS IN THE QUALIFIED MARYLAND OPPORTUNITY~~
25 ~~ZONE AND THE QUALIFIED OPPORTUNITY FUND THAT SPECIFIES A RANGE OF~~
26 ~~COMMUNITY BENEFITS THAT THE FUND AGREES TO PROVIDE AS PART OF THE~~
27 ~~DEVELOPMENT PROJECT, INCLUDING WORKFORCE DEVELOPMENT OR LOCAL~~
28 ~~HIRING REQUIREMENTS.~~

29 ~~(F) "QUALIFIED OPPORTUNITY FUND" HAS THE MEANING STATED IN §~~
30 ~~1400Z-2 OF THE INTERNAL REVENUE CODE.~~

31 ~~(G) "QUALIFIED OPPORTUNITY ZONE BUSINESS" HAS THE MEANING~~
32 ~~STATED IN § 1400Z-2 OF THE INTERNAL REVENUE CODE.~~

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

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

5 **6-1002.**

6 **(A) THERE IS AN OPPORTUNITY ZONE ENHANCEMENT PROGRAM IN THE**
7 **DEPARTMENT.**

8 **(B) THE DEPARTMENT SHALL ADMINISTER THE TAX CREDIT**
9 **ENHANCEMENTS OFFERED UNDER THE PROGRAM.**

10 **(C) (1) THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE**
11 **INFORMATION ABOUT THE PROGRAM AND INFORMATION REPORTED BY A**
12 **QUALIFIED OPPORTUNITY FUND RECEIVING ENHANCED TAX CREDITS UNDER THE**
13 **PROGRAM.**

14 **(2) THE INFORMATION PUBLISHED ON THE WEBSITE MAY NOT**
15 **INCLUDE ANY PROPRIETARY OR CONFIDENTIAL INFORMATION.**

16 **(D) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF**
17 **HOUSING AND COMMUNITY DEVELOPMENT, SHALL ADOPT REGULATIONS TO CARRY**
18 **OUT THIS SUBTITLE, INCLUDING CRITERIA AND PROCEDURES FOR DETERMINING**
19 **ELIGIBILITY FOR A ~~THE~~ LEVEL 1 OR ~~THE~~ LEVEL 2 OPPORTUNITY ZONE**
20 **ENHANCEMENT.**

21 **6-1003.**

22 **(A) IN THIS SECTION, “REVITALIZATION AREA” HAS THE MEANING STATED**
23 **IN § 6-301 OF THIS TITLE.**

24 **(B) FOR A QUALIFIED ~~MARYLAND~~ OPPORTUNITY ZONE BUSINESS THAT**
25 **QUALIFIES FOR A JOB CREATION TAX CREDIT UNDER § 6-304 OF THIS TITLE:**

26 **(1) THE ~~THE~~ LEVEL 1 OPPORTUNITY ZONE ENHANCEMENT IS EQUAL**
27 **TO:**

28 **(i) \$3,150 MULTIPLIED BY THE NUMBER OF QUALIFIED**
29 **EMPLOYEES WORKING IN A FACILITY NOT LOCATED IN A REVITALIZATION AREA; AND**

30 **(ii) \$5,250 MULTIPLIED BY THE NUMBER OF QUALIFIED**
31 **EMPLOYEES WORKING IN A FACILITY LOCATED IN A REVITALIZATION AREA; AND**

1 (2) THE ~~THIR~~ LEVEL 2 OPPORTUNITY ZONE ENHANCEMENT IS EQUAL
2 TO:

3 (I) \$3,300 MULTIPLIED BY THE NUMBER OF QUALIFIED
4 EMPLOYEES WORKING IN A FACILITY NOT LOCATED IN A REVITALIZATION AREA; AND

5 (II) \$5,500 MULTIPLIED BY THE NUMBER OF QUALIFIED
6 EMPLOYEES WORKING IN A FACILITY LOCATED IN A REVITALIZATION AREA.

7 (C) THE ENHANCED MULTIPLIER AUTHORIZED UNDER SUBSECTION (B) OF
8 THIS SECTION IS IN SUBSTITUTION FOR AND NOT IN ADDITION TO THE MULTIPLIER
9 UNDER § 6-304(B)(1) OF THIS TITLE.

10 **6-1004.**

11 (A) IN THIS SECTION, “ELIGIBLE ECONOMIC DEVELOPMENT PROJECT”,
12 “ELIGIBLE PROJECT COST”, “PROJECT TAX CREDIT”, AND “QUALIFIED POSITION”
13 HAVE THE MEANINGS STATED IN § 6-401 OF THIS TITLE.

14 (B) FOR A QUALIFIED ~~MARYLAND~~ OPPORTUNITY ZONE BUSINESS THAT
15 QUALIFIES FOR THE ONE MARYLAND PROJECT TAX CREDIT UNDER § 6-403 OF THIS
16 TITLE AND CREATES AT LEAST 50 QUALIFIED POSITIONS:

17 (1) THE ~~THIR~~ LEVEL 1 OPPORTUNITY ZONE ENHANCEMENT
18 INCREASES THE MAXIMUM CREDIT ALLOWED UNDER § 6-403(B)(1)(II)1 OF THIS
19 TITLE TO THE LESSER OF \$5,250,000 OR THE TOTAL ELIGIBLE PROJECT COST FOR
20 THE ELIGIBLE ECONOMIC DEVELOPMENT PROJECT, LESS THE AMOUNT OF THE
21 CREDIT PREVIOUSLY TAKEN FOR THE PROJECT IN PRIOR TAXABLE YEARS; AND

22 (2) THE ~~THIR~~ LEVEL 2 OPPORTUNITY ZONE ENHANCEMENT
23 INCREASES THE MAXIMUM CREDIT ALLOWED UNDER § 6-403(B)(1)(II)1 OF THIS
24 TITLE TO THE LESSER OF \$5,500,000 OR THE TOTAL ELIGIBLE PROJECT COST FOR
25 THE ELIGIBLE ECONOMIC DEVELOPMENT PROJECT, LESS THE AMOUNT OF THE
26 CREDIT PREVIOUSLY TAKEN FOR THE PROJECT IN PRIOR TAXABLE YEARS.

27 **6-1005.**

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

30 (2) “ECONOMICALLY DISADVANTAGED INDIVIDUAL”, “FOCUS AREA
31 EMPLOYEE”, AND “QUALIFIED EMPLOYEE” HAVE THE MEANINGS STATED IN §
32 10-702 OF THE TAX – GENERAL ARTICLE.

1 **(3) “ENTERPRISE ZONE” AND “FOCUS AREA” HAVE THE MEANINGS**
2 **STATED IN § 5-701 OF THIS ARTICLE.**

3 **(B) FOR A QUALIFIED ~~MARYLAND~~ OPPORTUNITY ZONE BUSINESS THAT**
4 **QUALIFIES FOR AN INCOME TAX CREDIT FOR WAGES PAID IN AN ENTERPRISE ZONE**
5 **UNDER § 10-702(C) AND (D) OF THE TAX – GENERAL ARTICLE:**

6 **(1) THE ~~TIER~~ LEVEL 1 OPPORTUNITY ZONE ENHANCEMENT IS:**

7 **(I) UP TO \$1,100 OF THE WAGES PAID TO EACH QUALIFIED**
8 **EMPLOYEE; AND**

9 **(II) FOR WAGES PAID TO EACH QUALIFIED EMPLOYEE WHO IS AN**
10 **ECONOMICALLY DISADVANTAGED INDIVIDUAL, THE CREDIT ALLOWED UNDER §**
11 **10-702(C) AND (D) IS INCREASED BY 10% IN EACH OF THE 3 TAXABLE YEARS IN**
12 **WHICH THE CREDIT IS CLAIMED; AND**

13 **(2) THE ~~TIER~~ LEVEL 2 OPPORTUNITY ZONE ENHANCEMENT IS:**

14 **(I) UP TO \$1,200 OF THE WAGES PAID TO EACH QUALIFIED**
15 **EMPLOYEE; AND**

16 **(II) FOR WAGES PAID TO EACH QUALIFIED EMPLOYEE WHO IS AN**
17 **ECONOMICALLY DISADVANTAGED INDIVIDUAL, THE CREDIT ALLOWED UNDER §**
18 **10-702(E) OF THE TAX – GENERAL ARTICLE IS INCREASED BY 10% IN EACH OF THE**
19 **3 TAXABLE YEARS IN WHICH THE CREDIT IS CLAIMED.**

20 **(C) FOR A QUALIFIED ~~MARYLAND~~ OPPORTUNITY ZONE BUSINESS THAT**
21 **QUALIFIES FOR AN INCOME TAX CREDIT FOR WAGES PAID IN A FOCUS AREA UNDER**
22 **§ 10-702(E) OF THE TAX – GENERAL ARTICLE:**

23 **(1) THE ~~TIER~~ LEVEL 1 OPPORTUNITY ZONE ENHANCEMENT IS:**

24 **(I) UP TO \$1,650 OF THE WAGES PAID TO EACH FOCUS AREA**
25 **EMPLOYEE; AND**

26 **(II) FOR WAGES PAID TO EACH FOCUS AREA EMPLOYEE WHO IS**
27 **AN ECONOMICALLY DISADVANTAGED INDIVIDUAL, THE CREDIT ALLOWED UNDER §**
28 **10-702(E) OF THE TAX – GENERAL ARTICLE IS INCREASED BY 10% IN EACH OF THE**
29 **3 TAXABLE YEARS IN WHICH THE CREDIT IS CLAIMED; AND**

30 **(2) THE ~~TIER~~ LEVEL 2 OPPORTUNITY ZONE ENHANCEMENT IS:**

1 (I) UP TO \$1,750 OF THE WAGES PAID TO EACH FOCUS AREA
2 EMPLOYEE; AND

3 (II) FOR WAGES PAID TO EACH FOCUS AREA EMPLOYEE WHO IS
4 AN ECONOMICALLY DISADVANTAGED INDIVIDUAL, THE CREDIT ALLOWED UNDER §
5 10-702(E) OF THE TAX – GENERAL ARTICLE IS INCREASED BY 10% IN EACH OF THE
6 3 TAXABLE YEARS IN WHICH THE CREDIT IS CLAIMED.

7 (D) THE ENHANCED MULTIPLIERS AUTHORIZED UNDER SUBSECTIONS
8 (B)(1)(I) AND (2)(I) AND (C)(1)(I) AND (2)(I) OF THIS SECTION ARE IN SUBSTITUTION
9 FOR AND NOT IN ADDITION TO THE MULTIPLIERS UNDER § 10-702(E) OF THE TAX –
10 GENERAL ARTICLE.

11 6-1006.

12 (A) IN THIS SECTION, “INVESTMENT”, “QUALIFIED INVESTOR”, AND
13 “QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY” HAVE THE MEANINGS STATED
14 IN § 10-725 OF THE TAX – GENERAL ARTICLE.

15 (B) FOR A QUALIFIED OPPORTUNITY FUND THAT IS A QUALIFIED INVESTOR
16 IN A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY UNDER § 10-725 OF THE
17 TAX – GENERAL ARTICLE, IF THE QUALIFIED MARYLAND BIOTECHNOLOGY
18 COMPANY IS LOCATED IN AN OPPORTUNITY ZONE:

19 (1) THE ~~TIER~~ LEVEL 1 OPPORTUNITY ZONE ENHANCEMENT IS 75% OF
20 THE INVESTMENT IN A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY IN ANY
21 COUNTY, NOT TO EXCEED \$600,000; AND

22 (2) THE ~~TIER~~ LEVEL 2 OPPORTUNITY ZONE ENHANCEMENT IS 75% OF
23 THE INVESTMENT IN THE QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY IN ANY
24 COUNTY, NOT TO EXCEED \$750,000.

25 (C) THE ENHANCED TAX CREDIT PERCENTAGES AND MAXIMUMS
26 AUTHORIZED UNDER SUBSECTION (B) OF THIS SECTION ARE IN SUBSTITUTION FOR
27 AND NOT IN ADDITION TO THE PERCENTAGES AND MAXIMUMS UNDER § 10-725(D)
28 OF THE TAX – GENERAL ARTICLE.

29 6-1007.

30 (A) IN THIS SECTION, “INVESTMENT”, “QUALIFIED INVESTOR”, AND
31 “QUALIFIED MARYLAND CYBERSECURITY COMPANY” HAVE THE MEANINGS STATED
32 IN § 10-733 OF THE TAX – GENERAL ARTICLE.

1 (B) FOR A QUALIFIED OPPORTUNITY FUND THAT IS A QUALIFIED INVESTOR
2 IN A QUALIFIED MARYLAND CYBERSECURITY COMPANY UNDER § 10-733 OF THE
3 TAX – GENERAL ARTICLE, IF THE QUALIFIED MARYLAND CYBERSECURITY
4 COMPANY IS LOCATED IN AN OPPORTUNITY ZONE IN A COUNTY OTHER THAN
5 ALLEGANY COUNTY, DORCHESTER COUNTY, GARRETT COUNTY, OR SOMERSET
6 COUNTY:

7 (1) THE ~~TIER~~ TIER LEVEL 1 OPPORTUNITY ZONE ENHANCEMENT IS 33% OF
8 THE INVESTMENT IN A QUALIFIED MARYLAND CYBERSECURITY COMPANY, NOT TO
9 EXCEED \$300,000; AND

10 (2) THE ~~TIER~~ TIER LEVEL 2 OPPORTUNITY ZONE ENHANCEMENT IS 50% OF
11 THE INVESTMENT IN THE QUALIFIED MARYLAND CYBERSECURITY COMPANY, NOT
12 TO EXCEED \$500,000.

13 (C) THE ENHANCED TAX CREDIT PERCENTAGES AND MAXIMUMS
14 AUTHORIZED UNDER SUBSECTION (B) OF THIS SECTION ARE IN SUBSTITUTION FOR
15 AND NOT IN ADDITION TO THE PERCENTAGES AND MAXIMUMS UNDER § 10-733(D)
16 OF THE TAX – GENERAL ARTICLE.

17 6-1008.

18 (A) IN THIS SECTION, “ELIGIBLE PROJECT” AND “QUALIFIED POSITION”
19 HAVE THE MEANINGS STATED IN § 6-801 OF THIS ARTICLE.

20 (B) FOR A QUALIFIED ~~MARYLAND~~ OPPORTUNITY ZONE BUSINESS THAT
21 QUALIFIES FOR A MORE JOBS FOR MARYLANDERS PROGRAM TAX CREDIT UNDER §
22 10-741(B) OF THE TAX – GENERAL ARTICLE:

23 (1) THE ~~TIER~~ TIER LEVEL 1 OPPORTUNITY ZONE ENHANCEMENT IS EQUAL
24 TO 6% OF THE TOTAL AMOUNT OF WAGES PAID FOR EACH QUALIFIED POSITION AT
25 AN ELIGIBLE PROJECT; AND

26 (2) THE ~~TIER~~ TIER LEVEL 2 OPPORTUNITY ZONE ENHANCEMENT IS EQUAL
27 TO 6.25% OF THE TOTAL AMOUNT OF WAGES PAID FOR EACH QUALIFIED POSITION
28 AT AN ELIGIBLE PROJECT.

29 (C) THE ENHANCED TAX CREDIT PERCENTAGES AUTHORIZED UNDER
30 SUBSECTION (B) OF THIS SECTION ARE IN SUBSTITUTION FOR AND NOT IN ADDITION
31 TO THE STATE EMPLOYER WITHHOLDING AMOUNT UNDER § 10-741(B) OF THE TAX
32 – GENERAL ARTICLE.

1 5A-303.

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

3 (2) “Affordable housing” means a project or undertaking that has received
4 an allocation of federal low-income housing tax credits by the Department of Housing and
5 Community Development.

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

9 ~~(4)~~ **(4)** “Business entity” means:

10 (i) a person conducting or operating a trade or business in the State;
11 or

12 (ii) an organization operating in Maryland that is exempt from
13 taxation under § 501(c)(3) of the Internal Revenue Code.

14 ~~(5)~~ **(5)** “Certified heritage area” has the meaning stated in § 13-1101 of
15 the Financial Institutions Article.

16 ~~(6)~~ **(6)** (i) “Certified historic structure” means a structure that is
17 located in the State and is:

18 1. listed in the National Register of Historic Places;

19 2. designated as a historic property under local law and
20 determined by the Director to be eligible for listing on the National Register of Historic
21 Places;

22 3. A. located in a historic district listed on the National
23 Register of Historic Places or in a local historic district that the Director determines is
24 eligible for listing on the National Register of Historic Places; and

25 B. certified by the Director as contributing to the significance
26 of the district; or

27 4. located in a certified heritage area and certified by the
28 Maryland Heritage Areas Authority as contributing to the significance of the certified
29 heritage area.

30 (ii) “Certified historic structure” does not include a structure that is
31 owned by the State, a political subdivision of the State, or the federal government.

1 ~~(6)~~ **(7)** “Certified rehabilitation” means a completed rehabilitation of a
 2 certified historic structure that the Director certifies is a substantial rehabilitation in
 3 conformance with the rehabilitation standards of the United States Secretary of the
 4 Interior.

5 ~~(7)~~ **(8)** (i) “Commercial rehabilitation” means a rehabilitation of a
 6 structure other than a single-family, owner-occupied residence.

7 (ii) “Commercial rehabilitation” does not include a small commercial
 8 project.

9 ~~(8)~~ **(9)** “Director” means the Director of the Maryland Historical Trust.

10 ~~(9)~~ **(10)** “Financial assistance” means action by the State or a State unit
 11 to award grants, loans, loan guarantees, or insurance to a public or private entity to finance,
 12 wholly or partly, a project that involves or may result in building construction, building
 13 alteration, or land disturbance.

14 ~~(10)~~ **(11)** “High performance building” means a building that:

15 (i) meets or exceeds the current version of the U.S. Green Building
 16 Council’s LEED (Leadership in Energy and Environmental Design) green building rating
 17 system gold rating; or

18 (ii) achieves at least a comparable numeric rating according to a
 19 nationally recognized, accepted, and appropriate numeric sustainable development rating
 20 system, guideline, or standard approved by the Secretaries of Budget and Management and
 21 General Services under § 3-602.1 of this article.

22 ~~(11)~~ **(12)** (i) “Historic property” means a district, site, building,
 23 structure, monument, or object significant to:

24 1. the prehistory or history of the State; or

25 2. the upland or underwater archeology, architecture,
 26 engineering, or culture of the State.

27 (ii) “Historic property” includes related artifacts, records, and
 28 remains.

29 **(13) “LEVEL 1 OPPORTUNITY ZONE PROJECT” MEANS A SMALL**
 30 **COMMERCIAL PROJECT OR COMMERCIAL REHABILITATION COMPLETED BY A**
 31 **QUALIFIED OPPORTUNITY ZONE BUSINESS IF THE FOLLOWING INFORMATION IS**
 32 **PROVIDED TO THE DIRECTOR:**

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

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

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

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

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

13 (VI) ANY OTHER INFORMATION REQUESTED BY THE DIRECTOR.

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

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

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

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

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

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

5 ~~(12)~~ **(15)** “Local historic district” means a district that the governing body
 6 of a county or municipal corporation, or the Mayor and City Council of Baltimore, has
 7 designated under local law as historic.

8 ~~(13)~~ **(16)** “National register structure” means a structure that is:

9 (i) listed on the National Register of Historic Places; or

10 (ii) located in a historic district listed on the National Register of
 11 Historic Places and certified by the Director as contributing to the significance of the
 12 district.

13 **(17) “OPPORTUNITY ZONE PROJECT” MEANS A CERTIFIED**
 14 **REHABILITATION WITHIN A GEOGRAPHICAL AREA DESIGNATED AND IN EFFECT AS A**
 15 **QUALIFIED OPPORTUNITY ZONE IN THE STATE UNDER § 1400Z-1 OF THE INTERNAL**
 16 **REVENUE CODE.**

17 ~~(14)~~ **(18)** “Political subdivision” means a county or municipal corporation
 18 of the State.

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

22 **(20) “QUALIFIED OPPORTUNITY FUND” HAS THE MEANING STATED IN**
 23 **§ 6-1001 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

24 ~~(15)~~ **(21)** “~~QUALIFIED MARYLAND~~ OPPORTUNITY ZONE” HAS THE
 25 MEANING STATED IN § 6-1001 OF THE ECONOMIC DEVELOPMENT ARTICLE.

26 ~~(16)~~ **(22)** “~~QUALIFIED MARYLAND~~ OPPORTUNITY ZONE BUSINESS”
 27 HAS THE MEANING STATED IN § 6-1001 OF THE ECONOMIC DEVELOPMENT
 28 ARTICLE.

29 ~~(17) “QUALIFIED OPPORTUNITY FUND” HAS THE MEANING STATED IN~~
 30 ~~§ 6-1001 OF THE ECONOMIC DEVELOPMENT ARTICLE.~~

31 **[(15)] ~~(18)~~ (23)** “Qualified rehabilitation expenditure” means any amount
 32 that:

- 1 (i) is properly chargeable to a capital account;
- 2 (ii) is expended in the rehabilitation of a structure that by the end of
3 the calendar year in which the certified rehabilitation is completed is a certified historic
4 structure;
- 5 (iii) is expended in compliance with a plan of proposed rehabilitation
6 that has been approved by the Director; and
- 7 (iv) is not funded, financed, or otherwise reimbursed by any:
 - 8 1. State or local grant;
 - 9 2. grant made from the proceeds of tax-exempt bonds issued
10 by the State, a political subdivision of the State, or an instrumentality of the State or of a
11 political subdivision of the State;
 - 12 3. State tax credit other than the tax credit under this
13 section; or
 - 14 4. other financial assistance from the State or a political
15 subdivision of the State, other than a loan that must be repaid at an interest rate that is
16 greater than the interest rate on general obligation bonds issued by the State at the most
17 recent bond sale prior to the time the loan is made.

18 ~~[(16)]~~ ~~(19)~~ **(24)** (i) “Single-family, owner-occupied residence” means a
19 structure or a portion of a structure occupied by the owner and the owner’s immediate
20 family as their primary or secondary residence.

- 21 (ii) “Single-family, owner-occupied residence” includes:
 - 22 1. a residential unit in a cooperative project owned by or
23 leased to a cooperative housing corporation, as defined in § 5-6B-01 of the Corporations
24 and Associations Article, and leased for exclusive occupancy to, and occupied by, a member
25 of the corporation and the member’s immediate family under a proprietary lease; or
 - 26 2. a small commercial project.

27 ~~[(17)]~~ ~~(20)~~ **(25)** (i) “Small commercial project” means a rehabilitation
28 of a structure ~~primarily used for commercial, income-producing purposes if the qualified~~
29 ~~rehabilitation expenditures do not exceed \$500,000.~~

30 ~~(ii) “Small commercial project” includes a structure that is used for~~
31 ~~both commercial and residential rental purposes.~~

32 ~~(iii) “Small commercial project” does not include a structure that is~~
33 ~~used solely for residential purposes IF:~~

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

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

5 **2. THE STRUCTURE:**

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

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

10 **3. THE STRUCTURE IS A TARGETED PROJECT.**

11 **[(18)] ~~(21)~~ (26)** “Smart Growth Subcabinet” means the Smart Growth
 12 Subcabinet established under Title 9, Subtitle 14 of the State Government Article.

13 **[(19)] ~~(22)~~ (27)** “State unit” has the meaning stated in § 11-101 of the
 14 State Government Article.

15 **[(20)] ~~(23)~~ (28)** “Substantial rehabilitation” means rehabilitation of a
 16 structure for which the qualified rehabilitation expenditures, during the 24-month period
 17 selected by the individual or business entity ending with or within the taxable year, exceed:

18 (i) for single-family, owner-occupied residential property, \$5,000;
 19 or

20 (ii) for all other property, the greater of:

21 1. the adjusted basis of the structure; or

22 2. \$25,000.

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

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

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

26 **~~(24) “TIER 1 OPPORTUNITY ZONE PROJECT” MEANS A SMALL~~**
 27 **~~COMMERCIAL PROJECT OR COMMERCIAL REHABILITATION COMPLETED BY A~~**

~~1 QUALIFIED MARYLAND OPPORTUNITY ZONE BUSINESS IF THE FOLLOWING
2 INFORMATION IS PROVIDED TO THE DIRECTOR:~~

~~3 (I) THE DATE OF THE QUALIFIED OPPORTUNITY FUND'S
4 INVESTMENT IN THE OPPORTUNITY ZONE PROJECT AND THE AMOUNT OF THE
5 INVESTMENT;~~

~~6 (II) THE TOTAL PROJECT OR BUSINESS INVESTMENT,
7 INCLUDING ANY LEVERAGE;~~

~~8 (III) THE ADDRESS AND CENSUS TRACT OF THE QUALIFIED
9 MARYLAND OPPORTUNITY ZONE BUSINESS AND THE QUALIFIED OPPORTUNITY
10 FUND;~~

~~11 (IV) THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION
12 SYSTEM CODE FOR THE QUALIFIED MARYLAND OPPORTUNITY ZONE BUSINESS;~~

~~13 (V) AN IMPACT REPORT, INCLUDING BOTH QUALITATIVE AND
14 QUANTITATIVE DATA ON THE QUALIFIED OPPORTUNITY FUND'S INVESTMENT IN THE
15 OPPORTUNITY ZONE PROJECT AND ITS PROGRESS; AND~~

~~16 (VI) ANY OTHER INFORMATION REQUESTED BY THE DIRECTOR.~~

~~17 (25) "TIER 2 OPPORTUNITY ZONE PROJECT" MEANS A SMALL
18 COMMERCIAL PROJECT OR COMMERCIAL REHABILITATION COMPLETED BY A
19 QUALIFIED MARYLAND OPPORTUNITY ZONE BUSINESS IF:~~

~~20 (I) THE REQUIREMENTS FOR A TIER 1 OPPORTUNITY ZONE
21 PROJECT ARE MET; AND~~

~~22 (II) 1. ACCOUNTABILITY TO RESIDENTS OF THE
23 COMMUNITIES IN THE QUALIFIED MARYLAND OPPORTUNITY ZONE IS MAINTAINED
24 THROUGH THEIR REPRESENTATION ON ANY GOVERNING BOARD OR ANY ADVISORY
25 BOARD OF THE QUALIFIED MARYLAND OPPORTUNITY ZONE BUSINESS; OR~~

~~26 2. A COMMUNITY BENEFITS AGREEMENT IS NEGOTIATED
27 AND AGREED TO BY COMMUNITY GROUPS IN THE QUALIFIED MARYLAND
28 OPPORTUNITY ZONE AND THE QUALIFIED MARYLAND OPPORTUNITY ZONE
29 BUSINESS THAT SPECIFIES A RANGE OF COMMUNITY BENEFITS THAT THE BUSINESS
30 AGREES TO PROVIDE AS PART OF THE DEVELOPMENT PROJECT.~~

31 (b) (1) The Director, in consultation with the Smart Growth Subcabinet, shall
32 adopt regulations to:

1 (i) establish procedures and standards for certifying historic
2 structures and rehabilitations under this section;

3 (ii) for commercial rehabilitations, establish an application process
4 for the award of initial credit certificates for ~~heritage structure rehabilitation~~ **HISTORIC**
5 **REVITALIZATION** tax credits consistent with the requirements of this subsection;

6 (iii) for commercial rehabilitations, establish criteria, consistent with
7 the requirements of this subsection, for evaluating, comparing, and rating plans of proposed
8 rehabilitation that have been determined by the Director to conform with the rehabilitation
9 standards of the United States Secretary of the Interior;

10 (iv) for commercial rehabilitations, establish a competitive award
11 process for the award of initial credit certificates for ~~heritage structure rehabilitation~~
12 **HISTORIC REVITALIZATION** tax credits that favors the award of tax credits for
13 rehabilitation projects that:

14 1. are consistent with and promote current growth and
15 development policies and programs of the State;

16 2. are located in areas targeted by the State for additional
17 revitalization and economic development opportunities due to the focusing of State
18 resources and incentives;

19 3. are located in areas where the political subdivision has
20 implemented regulatory streamlining or other development incentives that foster
21 redevelopment and revitalization in priority funding areas, as defined in Title 5, Subtitle
22 7B of this article, and the appropriate local governing body or the planning board or
23 commission, if designated by the local governing body, has certified to the Smart Growth
24 Subcabinet those regulatory streamlining or other development incentives; and

25 4. include affordable and workforce housing options;

26 (v) for commercial rehabilitations, establish procedures to announce
27 to the public the selection of a rehabilitation project for an award of an initial credit
28 certificate not later than 60 days after the selection is made;

29 (vi) for commercial rehabilitations, determine whether the certified
30 rehabilitation:

31 1. is a high performance building; or

32 2. qualifies as affordable housing **OR A ~~THE~~ TIER LEVEL 1 OR**
33 **~~TIER~~ TIER LEVEL 2 OPPORTUNITY ZONE PROJECT;**

(vii) for commercial rehabilitations, establish a required external marker or, at a minimum, an internal marker for the rehabilitation project that identifies that the rehabilitation was funded by ~~heritage structure rehabilitation~~ **HISTORIC REVITALIZATION** tax credits;

(viii) as provided in paragraph (7) of this subsection, charge reasonable fees to certify historic structures and rehabilitations under this subtitle;

(ix) for commercial rehabilitations, require documentation that the applicant has ownership or site control of the structure in order to demonstrate the ability to meet the requirement to begin work as required under subsection (c)(3)(i)1 of this section;

(x) for commercial rehabilitations, provide a time limit for approval of the additional tax credit for high performance buildings [or], affordable housing, **OR TIER LEVEL 1 OR TIER LEVEL 2 OPPORTUNITY ZONE PROJECTS** provided for in subsection (c)(1)(ii) of this section; [and]

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

~~(xi)~~ **(XII)** for small commercial projects:

1. establish conditions regarding the percentage of the structure that may be used for residential rental purposes if the structure is used for both commercial and residential rental purposes; ~~and~~

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

A. AN AGRICULTURAL STRUCTURE; OR

B. A POST-WORLD WAR II STRUCTURE; AND

~~2.~~ **3.** specify criteria and procedures for the issuance of initial credit certificates under subsection (e) of this section; **AND**

~~(xii)~~ **(XIII) SPECIFY CRITERIA AND PROCEDURES FOR APPROVAL OF ENHANCED BENEFITS UNDER THIS SECTION FOR TIER LEVEL 1 AND TIER LEVEL 2 OPPORTUNITY ZONE PROJECTS.**

(2) The Director may not certify that a rehabilitation is a certified rehabilitation eligible for a tax credit provided under this section unless the individual or business entity seeking certification states under oath the amount of the individual's or business entity's qualified rehabilitation expenditures.

1 (3) Each year, the Director may accept applications for approval of plans of
2 proposed commercial rehabilitations and for the award of initial credit certificates for the
3 fiscal year that begins July 1 of that year.

4 (4) (i) Except as provided in subsection (e) of this section, a small
5 commercial project shall be treated as a single-family, owner-occupied residential
6 property, including the limitation on the amount of the tax credit provided in subsection
7 (c)(2)(ii) of this section.

8 (ii) A small commercial project is subject to the credit recapture
9 provision in subsection (f) of this section.

10 (5) (i) For commercial rehabilitations, the Director may not accept an
11 application for approval of plans of proposed rehabilitation if:

12 1. any substantial part of the proposed rehabilitation work
13 has begun; or

14 2. the applicant for a commercial rehabilitation has
15 previously submitted three or more applications for commercial rehabilitations with total
16 proposed rehabilitations exceeding \$500,000 in that year.

17 (ii) For commercial rehabilitations, the Director may accept an
18 application for approval of plans of a proposed rehabilitation for which a substantial part
19 of the proposed rehabilitation work has begun if the rehabilitation work has been approved
20 under the federal historic tax credit.

21 (6) Except as provided in subsection (d)(3)(iii) of this section, not more than
22 60% of the total credit amounts under initial credit certificates issued for any fiscal year
23 may be issued for projects in a single county or Baltimore City.

24 (7) (i) The Director shall adopt regulations to charge reasonable fees to
25 certify historic structures and rehabilitations under this section which shall include:

26 1. a minimum fee for the second phase of the application
27 process;

28 2. for a commercial rehabilitation project, a final fee that
29 may not exceed 3% of the amount of the award of an initial credit certificate; and

30 3. for any other rehabilitation project, a final fee that may
31 not exceed 3% of the amount of the credit for which the rehabilitation would be eligible
32 based on the greater of the estimated or final qualified rehabilitation expenditures for the
33 rehabilitation.

1 (ii) The Director shall set the level of the fees so that the projected
2 proceeds from the fees will cover the costs to the Trust of administering the credit under
3 this section and the federal historic tax credit.

4 (iii) If a fee charged for a commercial rehabilitation is not received by
5 the Trust within 90 days after the Trust sends notice to the applicant that the fee is due,
6 the Trust may not:

7 1. issue an initial credit certificate for the commercial
8 rehabilitation; or

9 2. accept an application for a commercial rehabilitation from
10 the applicant during the 3 fiscal years following the fiscal year in which the fee was not
11 received.

12 (iv) The proceeds from the fees shall be deposited in a special fund,
13 to be used only for the purposes of paying the costs of administering the credit under this
14 section and the federal historic tax credit.

15 (v) Any unused balance of the fund at the end of each fiscal year
16 shall be transferred to the Reserve Fund established under subsection (d) of this section
17 and shall increase the amount of the initial credit certificates that the Trust may issue for
18 the following fiscal year.

19 (8) If an initial credit certificate expires or is otherwise unclaimed as
20 provided for under this section, the amount of the credit certificate shall:

21 (i) remain in the Reserve Fund established under subsection (d) of
22 this section; and

23 (ii) increase the amount of the initial credit certificates that the
24 Trust may issue for the following fiscal year.

25 (c) (1) (i) Except as otherwise provided in this section, for the taxable year
26 in which a certified rehabilitation is completed, an individual or business entity may claim
27 a tax credit in an amount equal to 20% of the individual's or business entity's qualified
28 rehabilitation expenditures for the rehabilitation.

29 (ii) For a commercial rehabilitation, an individual or business entity
30 may claim an additional tax credit in an amount equal to 5% of the individual's or business
31 entity's qualified rehabilitation expenditures if the certified rehabilitation is a certified
32 historic structure and:

33 1. is a high performance building; or

34 2. qualifies as affordable housing ~~OR A TIER~~ LEVEL 1
35 OPPORTUNITY ZONE PROJECT.

1 **(III) FOR A COMMERCIAL REHABILITATION, A BUSINESS ENTITY**
 2 **MAY CLAIM AN ADDITIONAL TAX CREDIT IN AN AMOUNT EQUAL TO 7.5% OF THE**
 3 **BUSINESS ENTITY'S QUALIFIED REHABILITATION EXPENDITURES IF THE CERTIFIED**
 4 **REHABILITATION IS A CERTIFIED HISTORIC STRUCTURE AND QUALIFIES AS A ~~THE~~**
 5 **LEVEL 2 OPPORTUNITY ZONE PROJECT.**

6 (2) (i) For any commercial rehabilitation, the State tax credit allowed
 7 under this section may not exceed the lesser of:

8 1. **A. \$3,000,000 FOR ANY COMMERCIAL**
 9 **REHABILITATION OTHER THAN A ~~THE~~ LEVEL 1 OR THE LEVEL 2 OPPORTUNITY**
 10 **ZONE PROJECT;**

11 **B. \$3,150,000 FOR A ~~THE~~ LEVEL 1 OPPORTUNITY ZONE**
 12 **PROJECT; OR**

13 **C. \$3,300,000 FOR A ~~THE~~ LEVEL 2 OPPORTUNITY ZONE**
 14 **PROJECT; or**

15 2. the maximum amount specified under the initial credit
 16 certificate issued for the rehabilitation.

17 (ii) For a rehabilitation other than a commercial rehabilitation, the
 18 State tax credit allowed under this section may not exceed:

19 1. **\$50,000 FOR A REHABILITATION OTHER THAN A ~~THE~~**
 20 **LEVEL 1 OR THE LEVEL 2 OPPORTUNITY ZONE PROJECT;**

21 2. **\$55,000 FOR A ~~THE~~ LEVEL 1 OPPORTUNITY ZONE**
 22 **PROJECT; OR**

23 3. **\$60,000 FOR A ~~THE~~ LEVEL 2 OPPORTUNITY ZONE**
 24 **PROJECT.**

25 (iii) For the purposes of the limitation under subparagraph (i) of this
 26 paragraph, the following shall be treated as a single commercial rehabilitation:

27 1. the phased rehabilitation of the same structure or
 28 property; or

29 2. the separate rehabilitation of different components of the
 30 same structure or property.

1 (3) (i) Subject to subparagraph (ii) of this paragraph, the initial credit
2 certificate for a proposed commercial rehabilitation shall expire and the credit under this
3 section may not be claimed if:

4 1. within 18 months after the initial credit certificate was
5 issued, the applicant has not notified the Trust, in writing, that the commercial
6 rehabilitation has begun;

7 2. the commercial rehabilitation is not completed within 30
8 months after the initial credit certificate was issued; or

9 3. the applicant does not submit to the Trust a request for
10 final certification of the commercial rehabilitation within 12 months after:

11 A. the 30-month expiration date under subparagraph (i)2 of
12 this paragraph; or

13 B. the date to which the Director postponed the expiration
14 date under subparagraph (ii) of this paragraph.

15 (ii) For reasonable cause, the Director may postpone:

16 1. the 30-month expiration date under subparagraph (i)2 of
17 this paragraph for an initial credit certificate for a commercial rehabilitation; or

18 2. if the commercial rehabilitation was completed prior to the
19 expiration of the initial credit certificate, the deadline under subparagraph (i)3 of this
20 paragraph for submission of a request for final certification.

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

24 (5) The State credit allowed under this section may be allocated among the
25 partners, members, or shareholders of an entity in any manner agreed to by those persons
26 in writing.

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

32 **(II) 1. FOR THE TAXABLE YEAR OF ANY TRANSFER UNDER**
33 **THIS PARAGRAPH, THE TRANSFEREE UNDER SUBPARAGRAPH (I) OF THIS**

1 PARAGRAPH MAY APPLY THE TAX CREDIT AGAINST THE TOTAL TAX OTHERWISE
2 PAYABLE BY THE TRANSFEREE IN THAT TAXABLE YEAR.

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

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

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

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

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

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

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

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

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

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

33 2. If the aggregate credit amounts under initial credit
34 certificates issued in a fiscal year total less than the amount appropriated to the Reserve
35 Fund for that fiscal year as a result of the limitation under subsection (b)(6) of this section,

1 any excess amount may be issued under initial credit certificates for projects in a county or
2 Baltimore City in the same fiscal year, without regard to the limitation under subsection
3 (b)(6) of this section.

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

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

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

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

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

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

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

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

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

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

35 B. the final certified credit amount for the project.

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

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

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

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

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

17 (3) **(I)** The Director may not issue an initial credit certificate under this
18 subsection]:

19 (i) prior to January 1, 2015; or

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

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

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

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

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

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

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

1 3. “Dispose of” does not include to transfer title or the
2 leasehold interest to a creditor on creation of a security interest.

3 (iii) “Disqualifying work” means work that:

4 1. is performed on a certified rehabilitation; and

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

7 (2) The credit allowed under this section shall be recaptured as provided in
8 paragraph (3) of this subsection if, during the taxable year in which a certified
9 rehabilitation is completed or any of the 4 taxable years succeeding the taxable year in
10 which the certified rehabilitation is completed:

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

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

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

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

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

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

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

30 (ii) The individual or business entity that claimed the tax credit shall
31 pay the amount to be recaptured as determined under subparagraph (i) of this paragraph
32 as taxes payable to the State for the taxable year in which the disqualifying work is
33 performed or the certified rehabilitation is disposed of.

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

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

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

7 (iii) whether the credit is allowable as claimed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 1. a local historic district; or

17 2. a national register district; and

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

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

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

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

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

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

31 2. for approval of the proposed rehabilitation; and

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

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

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

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

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

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

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

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

19 (i) the total number of applicants for:

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

22 2. approval of plans of proposed rehabilitations; or

23 3. certification of the completed rehabilitations;

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

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

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

32 (i) owner-occupied single family residential structures;

1 (ii) small commercial projects; and

2 (iii) commercial rehabilitations.

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

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

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

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

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

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

15 **Article – Tax – General**

16 10–741.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 1. maintain the current level of manufacturing activity in the
14 State; [and]

15 2. attract new manufacturing activity to the State; AND

16 3. ATTRACT NEW BUSINESSES TO AND ENCOURAGE THE
17 EXPANSION OF EXISTING BUSINESSES WITHIN OPPORTUNITY ZONES IN THE STATE.

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

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

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

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

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

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

34 2. On notification that a final credit amount has been
35 certified, the Comptroller shall transfer an amount equal to the credit amount stated in the

1 initial tax credit certificate for the qualified business entity from the Reserve Fund to the
2 General Fund.

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

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

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

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

10 11–411.

11 (b) Except as provided in § 6–805(b) of the Economic Development Article and
12 subject to subsection (c) of this section, a qualified business entity is entitled to a refund for
13 the amount of sales and use tax paid by the qualified business entity during the
14 immediately preceding calendar year for a sale of qualified personal property or services
15 made on or after January 1, 2018, if the qualified personal property or services are
16 purchased by the qualified business entity solely for use at an eligible project while the
17 project is enrolled in the Program.

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

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

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

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

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

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

1 (7) "QUALIFIED POSITION" HAS THE MEANING STATED IN § 6-801 OF
 2 THE ECONOMIC DEVELOPMENT ARTICLE.

3 ~~[(6)] (8)~~ "Qualified property" means real property where an eligible
 4 project is located.

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

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

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

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

15 (2) (I) [The] WITH RESPECT TO QUALIFIED PROPERTY OF A
 16 BUSINESS ENTITY DESCRIBED UNDER § 6-801(C)(1)(I) OF THE ECONOMIC
 17 DEVELOPMENT ARTICLE, THE property tax credit provided under this section is equal to
 18 100% of all State property tax that is due.

19 (II) WITH RESPECT TO QUALIFIED PROPERTY OF A BUSINESS
 20 ENTITY OTHER THAN A BUSINESS ENTITY DESCRIBED UNDER § 6-801(C)(1)(I) OF
 21 THE ECONOMIC DEVELOPMENT ARTICLE, THE PROPERTY TAX CREDIT PROVIDED
 22 UNDER THIS SECTION IS EQUAL TO THE LESSER OF:

23 1. 100% OF ALL STATE PROPERTY TAX THAT IS DUE; OR

24 2. AN AMOUNT NOT EXCEEDING \$250 PER QUALIFIED
 25 POSITION FILLED AT THE QUALIFIED PROPERTY.

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

28 9-263.

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

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

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

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

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

13 **(5) "QUALIFIED OPPORTUNITY FUND" HAS THE MEANING STATED IN**
14 **§ 1400Z-2 OF THE INTERNAL REVENUE CODE.**

15 **(6) "QUALIFIED OPPORTUNITY ZONE BUSINESS PROPERTY" HAS THE**
16 **MEANING STATED IN § 1400Z-2 OF THE INTERNAL REVENUE CODE.**

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

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

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

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

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

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

1 (D) ON OR BEFORE JANUARY 1 OF THE CALENDAR YEAR FOLLOWING THE
 2 YEAR IN WHICH THE OPPORTUNITY ZONE TAX CREDIT IS INITIATED, AND EACH
 3 JANUARY 1 THEREAFTER, A COUNTY OR MUNICIPAL CORPORATION THAT GRANTS A
 4 TAX CREDIT UNDER THIS SECTION SHALL SUBMIT A REPORT, IN ACCORDANCE WITH
 5 § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE SENATE BUDGET AND
 6 TAXATION COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE THAT
 7 DESCRIBES:

8 (1) THE TAX CREDIT PROGRAM; AND

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

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

13 Article – Economic Development

14 4-704.

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

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

19 (2) A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER §
 20 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT
 21 COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY.

22 5-704.

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

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

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

31 5-1303.

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

3 (1) is located within a priority funding area as defined by Title 5, Subtitle
4 7B of the State Finance and Procurement Article OR A QUALIFIED OPPORTUNITY ZONE
5 DESIGNATED UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY
6 COUNTY, GARRETT COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY;

7 6-301.

8 (f) “State priority funding area” means:

9 (1) a municipal corporation;

10 (2) Baltimore City;

11 (3) a sustainable community, as defined in § 6-301 of the Housing and
12 Community Development Article;

13 (4) an enterprise zone designated by the Secretary under § 5-704 of this
14 article;

15 (5) an enterprise zone designated by the United States government under
16 42 U.S.C. §§ 11501 through 11505;

17 (6) those areas of the State located between Interstate Highway 495 and
18 the District of Columbia;

19 (7) those areas of the State located between Interstate Highway 695 and
20 Baltimore City;

21 (8) any area in a county designated by the county as a priority funding area
22 under § 5-7B-03(c) of the State Finance and Procurement Article; [and]

23 (9) that portion of the Port Land Use Development Zone, as defined in §
24 6-501 of the Transportation Article, that has been designated as an area appropriate for
25 growth in a county comprehensive master plan; AND

26 (10) A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER §
27 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT
28 COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY.

29 6-402.

30 (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

SUBTITLE 3. MISCELLANEOUS REPORTING REQUIREMENTS.

2-301.

ON OR BEFORE DECEMBER 1, 2019, AND EACH DECEMBER 1 THEREAFTER, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON:

(1) WITH RESPECT TO FINANCIAL ASSISTANCE PROVIDED UNDER TITLE 4, SUBTITLE 2 OF THIS ARTICLE:

(I) THE NUMBER OF PROJECTS THAT QUALIFIED AS BUSINESS PROJECTS UNDER § 4-223 OF THIS ARTICLE;

(II) THE LOCATION OF EACH BUSINESS PROJECT, INCLUDING WHETHER THE BUSINESS PROJECT IS LOCATED:

1. IN AN AREA DESIGNATED AS A PRIORITY FUNDING AREA UNDER § 5-7B-02 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; OR

2. ONLY IN A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE; AND

(III) THE AMOUNT OF GRANTS OR LOANS PROVIDED FOR THE DEVELOPMENT OF EACH BUSINESS PROJECT;

1 **(2) WITH RESPECT TO THE STRATEGIC DEMOLITION AND SMART**
2 **GROWTH IMPACT FUND ESTABLISHED UNDER § 4-508 OF THIS ARTICLE:**

3 **(I) THE NUMBER AND AMOUNT OF GRANTS AND LOANS**
4 **PROVIDED TO GOVERNMENT AGENCIES AND COMMUNITY DEVELOPMENT**
5 **ORGANIZATIONS DURING THE IMMEDIATELY PRECEDING FISCAL YEAR; AND**

6 **(II) THE LOCATION OF EACH REVITALIZATION PROJECT FOR**
7 **WHICH A GRANT OR LOAN WAS PROVIDED, INCLUDING WHETHER THE**
8 **REVITALIZATION PROJECT IS LOCATED:**

9 **1. IN AN AREA DESIGNATED AS A SUSTAINABLE**
10 **COMMUNITY; OR**

11 **2. ONLY IN A QUALIFIED OPPORTUNITY ZONE**
12 **DESIGNATED UNDER § 1400Z-1 OF THE INTERNAL REVENUE CODE;**

13 **(3) WITH RESPECT TO THE COMMUNITY LEGACY PROGRAM**
14 **ESTABLISHED UNDER TITLE 6, SUBTITLE 2 OF THIS ARTICLE:**

15 **(I) THE LOCATION OF EACH COMMUNITY LEGACY PROJECT,**
16 **INCLUDING WHETHER THE COMMUNITY LEGACY PROJECT IS LOCATED:**

17 **1. IN A SUSTAINABLE COMMUNITY; OR**

18 **2. ONLY IN AN ELIGIBLE OPPORTUNITY ZONE; AND**

19 **(II) THE AMOUNT OF FINANCIAL ASSISTANCE PROVIDED FOR**
20 **EACH COMMUNITY LEGACY PROJECT; AND**

21 **(4) WITH RESPECT TO THE BUSINESS DEVELOPMENT PROGRAM**
22 **ESTABLISHED UNDER TITLE 6, SUBTITLE 3 OF THIS ARTICLE:**

23 **(I) THE NAMES OF APPROVED ENTITIES AWARDED FINANCIAL**
24 **ASSISTANCE UNDER THAT PROGRAM;**

25 **(II) THE LOCATION OF THE APPROVED ENTITY'S OPERATION,**
26 **INCLUDING WHETHER THE APPROVED ENTITY'S OPERATION IS LOCATED:**

27 **1. IN A PRIORITY FUNDING AREA; OR**

28 **2. ONLY IN AN ELIGIBLE OPPORTUNITY ZONE; AND**

1 **(III) THE AMOUNT OF EACH FINANCIAL ASSISTANCE AWARD.**

2 **4-104.**

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

7 **4-223.**

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

9 (1) located in:

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

12 (II) A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER §
13 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT
14 COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY; and

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

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

20 **4-508.**

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

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

27 (I) a Sustainable Community; OR

28 (II) A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER §
29 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT
30 COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY.

31 **6-201.**

- 1 (a) In this subtitle the following words have the meanings indicated.
- 2 (b) “Application” means an application to the Secretary that includes a request
3 to:
- 4 (1) designate an area as a sustainable community;
- 5 (2) approve a sustainable community plan; or
- 6 (3) approve a community legacy project.
- 7 (c) “Community development financial institution” has the meaning stated in 12
8 U.S.C. § 4702.
- 9 (d) “Community development organization” means an entity that meets the
10 qualifications of § 6–203 of this subtitle.
- 11 (e) “Community legacy agreement” means an agreement between the
12 Department and a sponsor to develop a sustainable community plan or to implement one
13 or more community legacy projects in a designated sustainable community OR AN
14 ELIGIBLE OPPORTUNITY ZONE.
- 15 (f) “Community legacy project” includes [projects] A PROJECT IN A
16 SUSTAINABLE COMMUNITY OR AN ELIGIBLE OPPORTUNITY ZONE to:
- 17 (1) create, improve, or preserve housing opportunities by acquiring,
18 constructing, rehabilitating, or improving new or existing residential properties;
- 19 (2) demolish buildings or improvements strategically to enhance the use of
20 land;
- 21 (3) create, improve, or preserve commercial or mixed–use development,
22 including an appropriate combination of properties related to business, housing,
23 open–space, and institutional uses;
- 24 (4) develop public infrastructure that is incidental to the implementation
25 of a community legacy project, such as streets, parking, public utilities, landscaping,
26 lighting, and improvements to pedestrian and bicycle circulation;
- 27 (5) encourage and develop cooperative ownership or control of open space;
- 28 (6) develop or create strategies designed to increase investment in existing
29 communities, including outreach activities to attract business, capital, residents, and
30 visitors and the development and maintenance of resources directly related to the
31 development of a sustainable community plan or the implementation of a community legacy
32 project;

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

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

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

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

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

11 (1) a grant;

12 (2) a loan;

13 (3) a reduction in the principal obligation of or rate of interest payable on
14 a loan or portion of a loan;

15 (4) a prepayment of interest on a subordinate or superior loan or portion of
16 a loan;

17 (5) an assurance;

18 (6) a guarantee; or

19 (7) any other form of credit enhancement.

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

22 (1) in anticipation of future development of the property; or

23 (2) to keep the future use of the property and improvements affordable.

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

26 **[(j)] (K)** “Program” means the Community Legacy Program established by this
27 subtitle.

1 ~~[(k)] (L)~~ “Smart Growth Subcabinet” means the subcabinet established under §
2 9–1406 of the State Government Article.

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

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

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

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

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

15 6–206.

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

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

21 (i) resolution; or

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

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

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

30 (i) resolution; or

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

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

5 6–301.

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

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

9 (2) “Development costs” includes the costs of:

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

11 (ii) architectural, engineering, or other special services, including
12 flood plain studies, environmental audits, and critical area or wetland assessments;

13 (iii) land and improvements;

14 (iv) site preparation;

15 (v) construction, reconstruction, and rehabilitation;

16 (vi) machinery, equipment, and furnishings;

17 (vii) essential operating costs, including working capital and
18 occupancy expenses;

19 (viii) indemnity and surety bonds and premiums on insurance;

20 (ix) temporary relocation expenses; and

21 (x) other costs determined to be acceptable by the Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

21 6–303.

22 **(b)** The purposes of the Program are:

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

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

26 (ii) stimulate investment by the private sector;

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

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

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

7 6-304.

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

10 6-305.

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

13 (2) The Department shall review each application.

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

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

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

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

22 **Article – State Finance and Procurement**

23 5-7B-01.

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

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

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

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

1 (II) A QUALIFIED OPPORTUNITY ZONE DESIGNATED UNDER §
2 1400Z-1 OF THE INTERNAL REVENUE CODE IN ALLEGANY COUNTY, GARRETT
3 COUNTY, SOMERSET COUNTY, OR WICOMICO COUNTY.

4 SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1,
5 2019, the Department of Commerce shall report to the General Assembly, in accordance
6 with § 2-1246 of the State Government Article, on, for the immediately preceding 6 months:

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

10 (2) the number of projects under each program for which a Level 1 or Level
11 2 opportunity zone enhancement under Title 6, Subtitle 10 of the Economic Development
12 Article, as enacted by Section 1 of this Act, was claimed and the type of opportunity zone
13 enhancement claimed; and

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

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

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

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

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

28 SECTION ~~7~~ 7. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
29 be applicable to all taxable years beginning after June 30, 2019.

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

32 SECTION ~~9~~ 9. AND BE IT FURTHER ENACTED, That, except as provided in
33 Section 8 of this Act, this Act shall take effect June 1, 2019, and, except as provided in
34 Section 3 of this Act, shall be applicable to all taxable years beginning after December 31,
35 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.