## SENATE BILL 596

Q2**CF HB 750** By: Washington County Senators Introduced and read first time: January 23, 2025 Assigned to: Budget and Taxation Committee Report: Favorable with amendments Senate action: Adopted Read second time: February 22, 2025 CHAPTER AN ACT concerning Washington County – Property Tax <del>Credit</del> – Multi-Use Facilities and Economic **Development Projects** FOR the purpose of exempting from the property tax property that is owned by The Hagerstown Multi-Use Sports and Events Facility, Inc., and used primarily for certain purposes; altering eligibility requirements for a certain property tax credit for certain business entities that invest a certain amount in certain real property in Washington County and create a certain number of new and permanent full-time jobs in the county; altering the amount and duration of the property tax credit; and generally relating to a property tax credit for business entities that invest in real property and create jobs taxes in Washington County.

## 12 BY adding to

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- 13 Article – Tax – Property
- Section 7–251 14
- Annotated Code of Maryland 15
- (2019 Replacement Volume and 2024 Supplement) 16
- 17 BY repealing and reenacting, with amendments,
- Article Tax Property 18
- 19 Section 9–323(f)
- Annotated Code of Maryland 20
- (2019 Replacement Volume and 2024 Supplement) 21

## EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

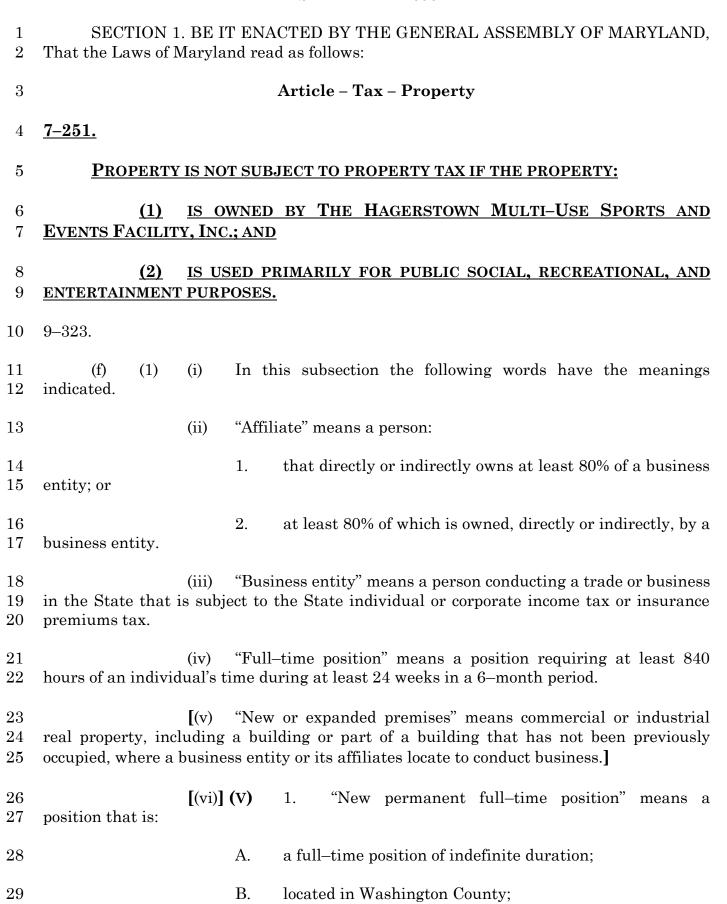
[Brackets] indicate matter deleted from existing law.

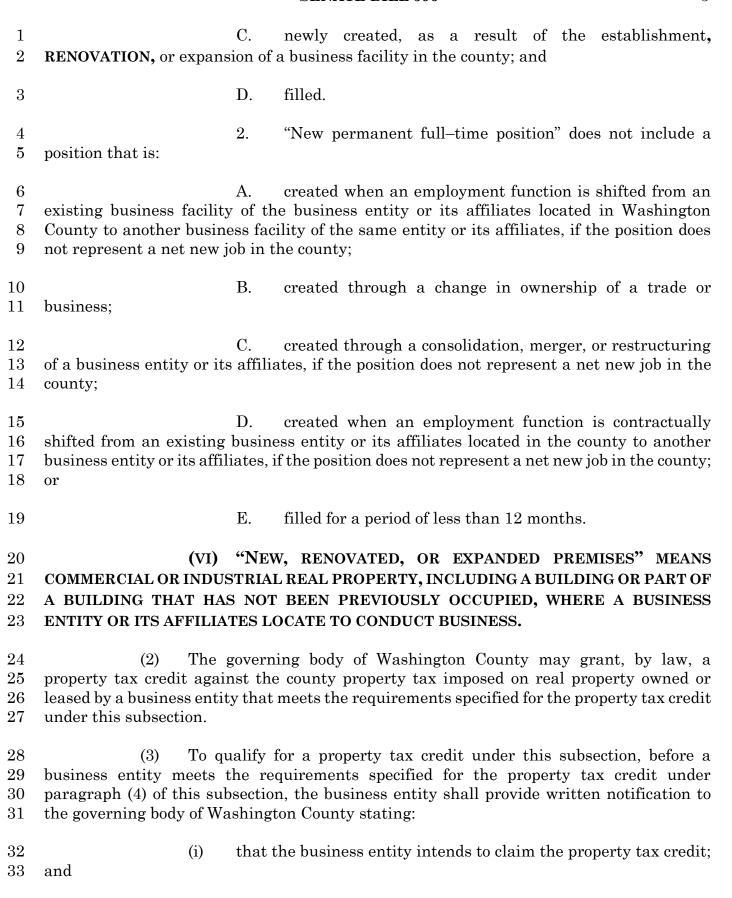
Underlining indicates amendments to bill.

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



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- 1 when the business entity expects to meet the requirements 2 specified for the property tax credit under paragraph (4) of this subsection. 3 **(4)** To qualify for a property tax credit under this subsection: 4 (i) an existing business entity in the county shall: 5 1. obtain at least an additional 1,500 square feet of new, 6 RENOVATED, or expanded premises by purchasing newly constructed premises, 7 constructing new premises, causing new premises to be constructed, RENOVATING 8 **EXISTING PREMISES,** or leasing previously unoccupied premises; and 9 2. employ at least [one individual] FIVE INDIVIDUALS in [a] 10 new permanent full-time [position] POSITIONS during a 12-month period, during which 11 period the business entity also must obtain and occupy the new, RENOVATED, or expanded 12 premises; 13 (ii) a new business entity locating in the county shall: 14 obtain at least 2,500 square feet of new, RENOVATED, or 1. 15 expanded premises by purchasing newly constructed premises, constructing new premises, 16 causing new premises to be constructed, RENOVATING EXISTING PREMISES, or leasing 17 previously unoccupied premises; and 18 2. employ at least [five] 25 individuals in new permanent 19 full-time positions during a 24-month period, during which period the business entity also 20must obtain and occupy the new, RENOVATED, or expanded premises; or 21a new business entity locating in the county or an existing (iii) 22 business entity in the county shall: 23invest at least [\$10,000,000] **\$20,000,000** in capital 24improvements in the county by purchasing newly constructed premises, constructing new premises, causing new premises to be constructed, RENOVATING EXISTING PREMISES, or 25 leasing previously unoccupied premises; and 26 27 as a result of the capital improvements specified in item 1 28 of this item, create [100] **200** new permanent full-time positions. 29 (5)If an existing business entity in the county meets the 30 requirements of paragraph (4)(i) of this subsection, the property tax credit granted under this subsection shall equal a percentage of the amount of property tax imposed on the 31 assessment of the new, RENOVATED, or expanded premises, as follows: 32
- 33 1. [52%] **55**% in the first [and second taxable years] 34 TAXABLE YEAR;

1 2	SECOND TAXABLE YEAR	2. <b>R</b> ; and	[39%]	40%	in	the	[third	and	fourth	taxable	years]
3 4	TAXABLE YEAR.	3.	[26%]	<b>25</b> % i	n th	ıe [fi	fth and	l sixtl	ı taxabl	e years]	THIRD
5 6 7 8	(ii) If a new business entity locating in the county meets the requirements of paragraph (4)(ii) of this subsection, the property tax credit granted under this subsection shall equal a percentage of the amount of property tax imposed on the assessment of the new, <b>RENOVATED</b> , or expanded premises, as follows:										
9		1.	[30%]	<b>55%</b> i	n the	e firs	t and s	econd	taxable	e years;	
10		2.	[20%]	<b>40%</b> i	n the	e thii	rd and	fourth	ı taxabl	e years; a	and
11		3.	[10%]	<b>25%</b> i	n the	e fiftl	h and s	ixth t	axable y	years.	
12 13 14 15	(iii) If a new or existing business entity in the county meets the requirements of paragraph (4)(iii) of this subsection, the property tax credit granted under this subsection shall equal a percentage of the amount of county property tax imposed on the assessment of the new, <b>RENOVATED</b> , or expanded premises, as follows:										
16		1.	[100%]	] 75%	for e	each	of the f	ïrst 5	taxable	years;	
17 18	YEAR;	2.	[75%]	<b>70</b> % i	in T	HE S	SIXTH t	axabl	e [year	s 6 thro	ugh 10 <b>]</b>
19 20	15] YEAR; [and]	3.	[50%]	<b>65</b> % i	n <b>T</b> l	HE S	EVENT	'H tax	able [y	ears 11 t	through
21		4.	60% II	N THE	EIG	НТН	TAXAI	BLE Y	EAR;		
22		<b>5.</b>	55% II	N THE	NIN	тн т	AXABI	LE YE	AR;		
23		6.	<b>50</b> % II	N THE	101	TH TA	XABLI	E YEA	R;		
24		7.	45% II	N THE	117	TH TA	XABLI	E YEA	R;		
25		8.	40% II	N THE	<b>12</b> 1	TH TA	XABLI	E YEA	R;		
26		9.	35% II	N THE	131	TH TA	XABLI	E YEA	R;		
27		10.	30% II	N THE	<b>14</b> T	H TA	XABLI	E YEA	R;		

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1	11. 25% IN THE 15TH TAXABLE YEAR; AND										
2 3	[4.] 12. 0% in taxable year 16 and each taxable year thereafter.										
4 5 6 7	(6) The lessor of real property granted a property tax credit under this subsection shall reduce the amount of taxes for which a business entity is contractually liable under the lease agreement by the amount of any credit granted under this subsection for improvements made by the business entity.										
8	(7) The governing body of Washington County shall provide, by law, for:										
9 10	(i) the specific requirements for eligibility for a property tax credit authorized under this subsection;										
11	(ii) any additional limitations on eligibility for the credit; and										
12	(iii) any other provision appropriate to implement the credit.										
13 14	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2025, and shall be applicable to all taxable years beginning after June 30, 2025.										
	Approved:										
	Governor.										
	President of the Senate.										
	Speaker of the House of Delegates.										