
By: **Delegates Klausmeier, Morhaim, Finifter, Mohorovic, Nathan-Pulliam,
Owings, Guns, Redmer, Hammen, Ports, Watson, Minnick, Weir, Oaks,
and Stup**

Introduced and read first time: February 9, 1998
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Credits - Qualified Brownfields Sites and Enterprise Zone**
3 **Property**

4 FOR the purpose of clarifying the calculation of certain property tax credits granted
5 for qualified brownfields sites and the calculation of certain required
6 contributions for qualified brownfields sites; authorizing the counties and
7 municipal corporations to vary the percentage of certain additional property tax
8 credits granted for qualified brownfields sites and to establish additional
9 eligibility criteria for additional property tax credits; clarifying the calculation of
10 the enterprise zone property tax credit; providing for the application of this Act;
11 and generally relating to certain property tax credits.

12 BY repealing and reenacting, with amendments,
13 Article - Tax - Property
14 Section 9-103(d) and 9-229
15 Annotated Code of Maryland
16 (1994 Replacement Volume and 1997 Supplement)

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

19 **Article - Tax - Property**

20 9-103.

21 (d) (1) The appropriate governing body shall calculate the amount of the tax
22 credit under this section equal to a percentage of the amount of property tax imposed
23 on the eligible assessment of the qualified property, as follows:

24 (i) 80% in each of the 1st 5 taxable years following the calendar
25 year in which the property initially becomes a qualified property;

26 (ii) 70% in the 6th taxable year;

- 1 (iii) 60% in the 7th taxable year;
- 2 (iv) 50% in the 8th taxable year;
- 3 (v) 40% in the 9th taxable year; and
- 4 (vi) 30% in the 10th taxable year.

5 (2) The Department shall allocate the eligible assessment to the
6 nonresidential part of the qualified property at the same percentage as the square
7 footage of the nonresidential part is to the total square footage of the building.

8 (3) FOR PURPOSES OF CALCULATING THE AMOUNT OF THE CREDIT
9 ALLOWED UNDER THIS SECTION, THE AMOUNT OF PROPERTY TAX IMPOSED ON THE
10 ELIGIBLE ASSESSMENT SHALL BE CALCULATED WITHOUT REDUCTION FOR ANY
11 CREDITS ALLOWED UNDER THIS TITLE.

12 9-229.

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

14 (2) "PROPERTY TAX ATTRIBUTABLE TO AN INCREASE IN AN
15 ASSESSMENT" MEANS THE ADDITIONAL PROPERTY TAX REQUIRED TO BE PAID AS A
16 RESULT OF THE INCREASE IN THE ASSESSMENT, CALCULATED BEFORE THE
17 APPLICATION OF THE CREDIT UNDER THIS SECTION BUT AFTER THE APPLICATION
18 OF ANY OTHER CREDIT ALLOWED UNDER THIS TITLE.

19 [(b)] (3) "Qualified brownfields site" has the meaning stated in Article 83A, §
20 3-901(d) of the Code.

21 [(c)] (4) "Taxing jurisdiction" means:

22 [(1)] (I) a county or Baltimore City; or

23 [(2)] (II) a municipal corporation.

24 [(d)] (B) (1) A taxing jurisdiction may elect to participate in the Brownfields
25 Revitalization Incentive Program under Article 83A, Title 3, Subtitle 9 of the Code.

26 (2) If a taxing jurisdiction elects to participate in the Brownfields
27 Revitalization Incentive Program, the taxing jurisdiction shall:

28 (i) enact the necessary legislation to grant the property tax credits
29 established under this section; and

30 (ii) notify the Department of Business and Economic Development.

31 (3) If a taxing jurisdiction elects to participate in the Brownfields
32 Revitalization Incentive Program, the property tax credits under this section shall
33 also apply to the State property tax in that jurisdiction in the same percentage and for
34 the same duration as provided for the property tax of the taxing jurisdiction.

1 [(e)] (C) For each of the 5 taxable years immediately following the first
2 revaluation of the property after completion of a voluntary cleanup or corrective
3 action plan of a brownfields site, each taxing jurisdiction where a qualified
4 brownfields site is located shall:

5 (1) grant a property tax credit against the property tax imposed on the
6 qualified brownfields site in an amount equal to 50% of the property tax attributable
7 to the increase in the assessment of the qualified brownfields site, including
8 improvements added to the site within the 5-year period as provided under this
9 subsection, over the assessment of the qualified brownfields site before the voluntary
10 cleanup; and

11 (2) contribute to the Brownfields Revitalization Incentive Fund under
12 Article 83A, § 3-904 of the Code, 30% of the property tax attributable to the increase
13 in the assessment of the brownfields site, including improvements added to the site
14 within the 5-year period as provided under this subsection, over the assessment of
15 the qualified brownfields site before the voluntary cleanup.

16 [(f)] (D) (1) A taxing jurisdiction may grant a property tax credit [up to]
17 AGAINST THE PROPERTY TAX IMPOSED ON A QUALIFIED BROWNFIELDS SITE IN
18 ADDITION TO THE CREDIT GRANTED UNDER SUBSECTION (C) OF THIS SECTION.

19 (2) SUBJECT TO THE LIMITATION IN PARAGRAPH (3) OF THIS
20 SUBSECTION, A TAXING JURISDICTION MAY:

21 (I) VARY THE PERCENTAGE OF THE ADDITIONAL PROPERTY TAX
22 CREDIT GRANTED UNDER THIS SUBSECTION; AND

23 (II) ESTABLISH ADDITIONAL ELIGIBILITY CRITERIA FOR ANY
24 ADDITIONAL PROPERTY TAX CREDIT GRANTED.

25 (3) THE TOTAL ADDITIONAL PROPERTY TAX CREDIT GRANTED UNDER
26 THIS SUBSECTION MAY NOT EXCEED an additional 20% of the remaining property tax
27 attributable to the increase in the assessment of the qualified brownfields site
28 including improvements added to the site over the assessment of the qualified
29 brownfields site before the voluntary cleanup.

30 [(g)] (E) (1) A credit under this section may not be calculated on an increase
31 in assessment due to the termination of a use value under §§ 8-209 through 8-217 or
32 §§ 8-220 through 8-225 of this article.

33 (2) If the qualified brownfields site on which the voluntary cleanup is
34 completed had a use value immediately before the cleanup, the credit shall be
35 calculated on an assessment as if the parcel had been valued at market value.

36 [(h)] (F) In a designated enterprise zone, a taxing jurisdiction may extend the
37 tax credit authorized under this section up to an additional 5 years.

38 [(i)] (G) A proportional share of a taxing jurisdiction's contribution for each
39 qualified brownfields site to the Brownfields Revitalization INCENTIVE Fund under

1 subsection [(e)(2)] (C)(2) of this section shall be designated for financial incentives to
2 be provided for qualified brownfields sites in the jurisdiction making that
3 contribution.

4 [(j)] (H) A taxing jurisdiction shall terminate any property tax credit under
5 this section if:

6 (1) a person receiving a credit under this section withdraws from the
7 Voluntary Cleanup Program under § 7-512(a) or (b) of the Environment Article; or

8 (2) the Department of the Environment withdraws approval of a
9 response action plan, or a certificate of completion under § 7-512(e) and (f) of the
10 Environment Article.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 June 1, 1998 and shall be applicable to all taxable years beginning on or after July 1,
13 1998.