

HOUSE BILL 629

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Q1

1998 Regular Session  
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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

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Committee Report: Favorable  
House action: Adopted  
Read second time: March 10, 1998

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CHAPTER \_\_\_\_\_

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:

1 **Article - Tax - Property**

2 9-103.

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

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

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

9 (iii) 60% in the 7th taxable year;

10 (iv) 50% in the 8th taxable year;

11 (v) 40% in the 9th taxable year; and

12 (vi) 30% in the 10th taxable year.

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

16 (3) FOR PURPOSES OF CALCULATING THE AMOUNT OF THE CREDIT  
17 ALLOWED UNDER THIS SECTION, THE AMOUNT OF PROPERTY TAX IMPOSED ON THE  
18 ELIGIBLE ASSESSMENT SHALL BE CALCULATED WITHOUT REDUCTION FOR ANY  
19 CREDITS ALLOWED UNDER THIS TITLE.

20 9-229.

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

22 (2) "PROPERTY TAX ATTRIBUTABLE TO AN INCREASE IN AN  
23 ASSESSMENT" MEANS THE ADDITIONAL PROPERTY TAX REQUIRED TO BE PAID AS A  
24 RESULT OF THE INCREASE IN THE ASSESSMENT, CALCULATED BEFORE THE  
25 APPLICATION OF THE CREDIT UNDER THIS SECTION BUT AFTER THE APPLICATION  
26 OF ANY OTHER CREDIT ALLOWED UNDER THIS TITLE.

27 [(b)] (3) "Qualified brownfields site" has the meaning stated in Article 83A, §  
28 3-901(d) of the Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (II) ESTABLISH ADDITIONAL ELIGIBILITY CRITERIA FOR ANY  
33 ADDITIONAL PROPERTY TAX CREDIT GRANTED.

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

1 [(g)] (E) (1) A credit under this section may not be calculated on an increase  
2 in assessment due to the termination of a use value under §§ 8-209 through 8-217 or  
3 §§ 8-220 through 8-225 of this article.

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

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

9 [(i)] (G) A proportional share of a taxing jurisdiction's contribution for each  
10 qualified brownfields site to the Brownfields Revitalization INCENTIVE Fund under  
11 subsection [(e)(2)] (C)(2) of this section shall be designated for financial incentives to  
12 be provided for qualified brownfields sites in the jurisdiction making that  
13 contribution.

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

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

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 June 1, 1998 and shall be applicable to all taxable years beginning on or after July 1,  
23 1998.