
By: **Montgomery County Delegation**
Introduced and read first time: February 6, 2002
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County - Tax Credit for Businesses That Create New Jobs -**
3 **Qualifications**
4 **MC 212-02**

5 FOR the purpose of altering the definition of "new permanent full-time position" for
6 purposes of certain property tax and State tax credits granted to certain
7 business entities that construct or expand certain new or expanded business
8 premises under certain circumstances; altering certain requirements for a
9 business entity in Montgomery County to qualify for certain property tax and
10 State tax credits; providing for the application of this Act; and generally relating
11 to certain property tax and State tax credits granted to certain business entities
12 that construct or expand certain new or expanded business premises under
13 certain circumstances.

14 BY repealing and reenacting, with amendments,
15 Article - Tax - Property
16 Section 9-230(a) and (d)(1)
17 Annotated Code of Maryland
18 (2001 Replacement Volume and 2001 Supplement)

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

21 **Article - Tax - Property**

22 9-230.

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

24 (2) "Affiliate" means a person:

25 (i) that directly or indirectly owns at least 80% of a business entity;

26 or

1 (ii) 80% of which is owned, directly or indirectly, by a business
2 entity.

3 (3) "Business entity" means a person conducting a trade or business in
4 the State, that is subject to the State individual or corporate income tax, insurance
5 premiums tax, financial institution franchise tax, or public service company franchise
6 tax.

7 (4) "Full-time position" means a position requiring at least 840 hours of
8 an [employee's] INDIVIDUAL'S time during at least 24 weeks in a 6-month period.

9 (5) (i) "New permanent full-time position" means a position that is:

10 1. A. a full-time position of indefinite duration; OR

11 B. IN MONTGOMERY COUNTY, A FULL-TIME POSITION OF
12 INDEFINITE DURATION OR A CONTRACT POSITION OF DEFINITE DURATION LASTING
13 AT LEAST 12 MONTHS WITH AN UNLIMITED RENEWAL OPTION;

14 2. located in Maryland;

15 3. newly created, as a result of the establishment or
16 expansion of a business facility in the State; and

17 4. filled.

18 (ii) "New permanent full-time position" does not include a position
19 that is:

20 1. created when an employment function is shifted from an
21 existing business facility of the business entity or its affiliates located in Maryland to
22 another business facility of the same business entity or its affiliates, if the position
23 does not represent a net new job in the State;

24 2. created through a change in ownership of a trade or
25 business;

26 3. created through a consolidation, merger, or restructuring
27 of a business entity or its affiliates, if the position does not represent a net new job in
28 the State;

29 4. created when an employment function is contractually
30 shifted from an existing business entity or its affiliates, located in the State to
31 another business entity or its affiliates, if the position does not represent a net new
32 job in the State; or

33 5. filled for a period of less than 12 months.

34 (6) "New or expanded premises" means real property, including a
35 building or part of a building that has not been previously occupied OR A BUILDING

1 OR PART OF A BUILDING THAT HAS BEEN RENOVATED, where a business entity or its
2 affiliates locate to conduct business.

3 (7) "Notification date" means the date on which the business entity
4 provides written notice to the county or municipal corporation as required under
5 subsection (b)(6) of this section.

6 (d) (1) For a business entity to qualify for an enhanced property tax credit
7 under this subsection, the business entity, along with its affiliates, shall:

8 (i) 1. obtain at least 250,000 square feet of new or expanded
9 premises by purchasing newly constructed premises, constructing new premises,
10 causing new premises to be constructed, or leasing newly constructed premises;

11 2. continue to employ at least 2,500 individuals in existing
12 permanent full-time positions paying at least 150% of the federal minimum wage and
13 located at premises in the State where the business entity, along with its affiliates, is
14 primarily engaged in one or more of the industries listed in paragraph (2) of this
15 subsection; and

16 3. employ at least 500 individuals in new permanent
17 full-time positions paying at least 150% of the federal minimum wage and located in
18 the new or expanded premises, and, if applicable, in newly renovated premises
19 adjoining or otherwise neighboring the new or expanded premises; [or]

20 (ii) 1. obtain at least 250,000 square feet of new or expanded
21 premises by purchasing newly constructed premises, constructing new premises,
22 causing new premises to be constructed, or leasing newly constructed premises; and

23 2. employ at least 1,250 individuals in new permanent
24 full-time positions paying at least 150% of the federal minimum wage and located in
25 the new or expanded premises and, if applicable, in newly renovated premises
26 adjoining or otherwise neighboring the new or expanded premises; OR

27 (III) IN MONTGOMERY COUNTY ONLY:

28 1. A. OBTAIN AT LEAST 500,000 SQUARE FEET OF NEW OR
29 EXPANDED PREMISES BY PURCHASING NEWLY CONSTRUCTED PREMISES,
30 CONSTRUCTING NEW PREMISES, CAUSING NEW PREMISES TO BE CONSTRUCTED, OR
31 LEASING NEWLY CONSTRUCTED OR RENOVATED PREMISES; AND

32 B. EMPLOY AT LEAST 1,000 INDIVIDUALS IN FULL-TIME
33 POSITIONS PAYING AT LEAST 150% OF THE FEDERAL MINIMUM WAGE AND LOCATED
34 IN THE NEW OR EXPANDED PREMISES AND, IF APPLICABLE, IN NEWLY RENOVATED
35 PREMISES ADJOINING OR OTHERWISE NEIGHBORING THE NEW OR EXPANDED
36 PREMISES; OR

37 2. A. OBTAIN AT LEAST 650,000 SQUARE FEET OF NEW OR
38 EXPANDED PREMISES BY PURCHASING NEWLY CONSTRUCTED PREMISES,

1 CONSTRUCTING NEW PREMISES, CAUSING NEW PREMISES TO BE CONSTRUCTED, OR
2 LEASING NEWLY CONSTRUCTED OR RENOVATED PREMISES; AND

3 B. EMPLOY AT LEAST 500 INDIVIDUALS IN FULL-TIME
4 POSITIONS PAYING AT LEAST 150% OF THE FEDERAL MINIMUM WAGE AND LOCATED
5 IN THE NEW OR EXPANDED PREMISES AND, IF APPLICABLE, IN NEWLY RENOVATED
6 PREMISES ADJOINING OR OTHERWISE NEIGHBORING THE NEW OR EXPANDED
7 PREMISES.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
9 effect July 1, 2002 and shall be applicable to all taxable years beginning after
10 December 31, 2002.