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

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 21, 2002

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CHAPTER \_\_\_\_\_

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~~ certain definitions for purposes of certain property tax and State tax  
7 credits granted to certain business entities that construct or expand certain new  
8 or expanded business premises under certain circumstances; altering certain  
9 requirements for a business entity in Montgomery County to qualify for certain  
10 property tax and State tax credits; providing that a certain written notification  
11 provided by a business entity and accepted as valid by a county or municipal  
12 corporation before the effective date of this Act remains in full force and effect;  
13 providing for the application of this Act; and generally relating to certain  
14 property tax and State tax credits granted to certain business entities that  
15 construct or expand certain new or expanded business premises under certain  
16 circumstances.

17 BY repealing and reenacting, with amendments,  
18 Article - Tax - Property  
19 Section 9-230(a) and (d)(1)  
20 Annotated Code of Maryland  
21 (2001 Replacement Volume and 2001 Supplement)

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

1 **Article - Tax - Property**

2 9-230.

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

4 (2) "Affiliate" means a person:

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

6 or

7 (ii) 80% of which is owned, directly or indirectly, by a business  
8 entity.9 (3) "Business entity" means a person conducting a trade or business in  
10 the State, that is subject to the State individual or corporate income tax, insurance  
11 premiums tax, financial institution franchise tax, or public service company franchise  
12 tax.13 (4) "Full-time position" means a position requiring at least 840 hours of  
14 an [employee's] INDIVIDUAL'S time during at least 24 weeks in a 6-month period.

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

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

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

20 2. located in Maryland;

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

23 4. filled.

24 (ii) "New permanent full-time position" does not include a position  
25 that is:26 1. created when an employment function is shifted from an  
27 existing business facility of the business entity or its affiliates located in Maryland to  
28 another business facility of the same business entity or its affiliates, if the position  
29 does not represent a net new job in the State;30 2. created through a change in ownership of a trade or  
31 business;32 3. created through a consolidation, merger, or restructuring  
33 of a business entity or its affiliates, if the position does not represent a net new job in  
34 the State;

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

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

6 (6) "New or expanded premises" means real property, including a  
 7 building or part of a building that has not been previously occupied ~~OR A BUILDING~~  
 8 ~~OR PART OF A BUILDING THAT HAS BEEN RENOVATED~~, where a business entity or its  
 9 affiliates locate to conduct business.

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

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

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

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

23 3. employ at least 500 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 (ii) 1. obtain at least 250,000 square feet of new or expanded  
 28 premises by purchasing newly constructed premises, constructing new premises,  
 29 causing new premises to be constructed, or leasing newly constructed premises; and

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

34 (III) IN MONTGOMERY COUNTY ONLY:

35 1. ~~A.~~ EXPEND AT LEAST \$150 MILLION TO OBTAIN AT  
 36 LEAST 500,000 700,000 SQUARE FEET OF NEW OR EXPANDED PREMISES BY  
 37 PURCHASING NEWLY CONSTRUCTED PREMISES, CONSTRUCTING NEW PREMISES,  
 38 CAUSING NEW PREMISES TO BE CONSTRUCTED, OR LEASING NEWLY CONSTRUCTED  
 39 OR RENOVATED PREMISES; AND

1                                   B.     ~~2. EMPLOY AT LEAST 1,000 A TOTAL OF AT LEAST 1,100~~  
 2 ~~INDIVIDUALS IN FULL-TIME POSITIONS PAYING AT LEAST 150% OF THE FEDERAL~~  
 3 ~~MINIMUM WAGE AND LOCATED IN THE NEW OR EXPANDED PREMISES AND, IF~~  
 4 ~~APPLICABLE, IN NEWLY RENOVATED PREMISES ADJOINING OR OTHERWISE~~  
 5 ~~NEIGHBORING THE NEW OR EXPANDED PREMISES; OR~~

6                                   ~~2.     A.     OBTAIN AT LEAST 650,000 SQUARE FEET OF NEW OR~~  
 7 ~~EXPANDED PREMISES BY PURCHASING NEWLY CONSTRUCTED PREMISES,~~  
 8 ~~CONSISTING OF BOTH FULL-TIME POSITIONS OF INDEFINITE DURATION AND~~  
 9 ~~CONTRACT POSITIONS OF DEFINITE DURATION LASTING AT LEAST 12 MONTHS WITH~~  
 10 ~~AN UNLIMITED RENEWAL OPTION, AND INCLUDING AT LEAST 500 INDIVIDUALS IN~~  
 11 ~~NEW PERMANENT FULL-TIME POSITIONS, WITH ALL POSITIONS:~~

12                                   A.     RECEIVING AN EMPLOYER PROVIDED SUBSIDIZED  
 13 HEALTH CARE BENEFITS PACKAGE;

14                                   B.     PAYING AT LEAST 150% OF THE FEDERAL MINIMUM WAGE;  
 15 AND

16                                   C.     LOCATED IN THE NEW OR EXPANDED PREMISES AND, IF  
 17 APPLICABLE, IN NEWLY RENOVATED PREMISES ADJOINING OR OTHERWISE  
 18 NEIGHBORING THE NEW OR EXPANDED PREMISES. CONSTRUCTING NEW PREMISES,  
 19 CAUSING NEW PREMISES TO BE CONSTRUCTED, OR LEASING NEWLY CONSTRUCTED  
 20 OR RENOVATED PREMISES; AND

21                                   B.     ~~EMPLOY AT LEAST 500 INDIVIDUALS IN FULL-TIME~~  
 22 ~~POSITIONS PAYING AT LEAST 150% OF THE FEDERAL MINIMUM WAGE AND LOCATED~~  
 23 ~~IN THE NEW OR EXPANDED PREMISES AND, IF APPLICABLE, IN NEWLY RENOVATED~~  
 24 ~~PREMISES ADJOINING OR OTHERWISE NEIGHBORING THE NEW OR EXPANDED~~  
 25 ~~PREMISES.~~

26     SECTION 2. AND BE IT FURTHER ENACTED, That, for purposes of this  
 27 Act, a written notification provided by a business entity under § 9-230(b)(6) of the  
 28 Tax - Property Article and accepted as valid by a county or municipal corporation  
 29 before the effective date of this Act remains in full force and effect.

30     ~~SECTION 2. 3.~~ AND BE IT FURTHER ENACTED, That this Act shall take  
 31 effect July 1, 2002 and shall be applicable to all taxable years beginning after  
 32 December 31, 2002.