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2004 Regular Session
4lr3244

By: Delegate D. Davis

Rules suspended

Introduced and read first time: March 18, 2004 Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 Enterprise Zone Incentives - Multifamily Residential Property

- 3 FOR the purpose of altering certain definitions to make certain property in an
- 4 enterprise zone and certain persons owning, operating, developing, constructing,
- 5 or rehabilitating certain property in an enterprise zone eligible for certain
- 6 incentives; and generally relating to certain incentives provided to certain
- 7 property located in an enterprise zone and to certain persons owning, operating,
- 8 developing, constructing, or rehabilitating certain property in an enterprise
- 9 zone.
- 10 BY repealing and reenacting, with amendments,
- 11 Article 83A Department of Business and Economic Development
- 12 Section 5-401(c)
- 13 Annotated Code of Maryland
- 14 (2003 Replacement Volume)
- 15 BY repealing and reenacting, with amendments,
- 16 Article Tax General
- 17 Section 10-702(a)(2)
- 18 Annotated Code of Maryland
- 19 (1997 Replacement Volume and 2003 Supplement)
- 20 BY repealing and reenacting, with amendments,
- 21 Article Tax Property
- 22 Section 9-103(a)(4) and (6) and (d)
- 23 Annotated Code of Maryland
- 24 (2001 Replacement Volume and 2003 Supplement)
- 25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 26 MARYLAND, That the Laws of Maryland read as follows:

1	Article 83A - Department of Business and Economic Development							
2	5-401.							
3 4	(c) (1) business.	(1) "Business entity" means a person operating or conducting a trade or						
7	(2) Except as provided in § 9-103 of the Tax - Property Article, "business entity" does not include a person owning, operating, developing, constructing, or rehabilitating property LOCATED WITHIN THE ENTERPRISE ZONE THAT IS intended for use primarily as:							
9		(I)	A single FAMILY RESIDENTIAL PROPERTY; or					
10 11	enterprise zone]	(II) HAVING FE	A multifamily residential property [located within the EWER THAN 50 UNITS.					
12			Article - Tax - General					
13	10-702.							
14	(a) (2)	(i)	"Business entity" means:					
15			1. a person conducting or operating a trade or business; or					
16 17	501(c)(3) or (4) or	of the Interna	2. an organization that is exempt from taxation under § all Revenue Code.					
	Business entity" does not include a person owning, operating, developing, constructing, or rehabilitating property LOCATED WITHIN THE ENTERPRISE ZONE THAT IS intended for use primarily as:							
21			1. A single FAMILY RESIDENTIAL PROPERTY; or					
22 23	enterprise zone]	HAVING FE	2. A multifamily residential property [located within the EWER THAN 50 UNITS.					
24			Article - Tax - Property					
25	9-103.							
26 27	(a) (4) trade or business	(i)	"Business entity" means a person who operates or conducts a					
	develops, constru ZONE, if the rea		"Business entity" includes a person who owns, operates, illitates real property LOCATED IN THE ENTERPRISE					
	RESIDENTIAL enterprise zone; a		1. is intended for use primarily as A single FAMILY or AS multifamily residential property [located in the					

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1 2	a nonresidential use; OR		2.]	HAVING FEWER THAN 50 UNITS AND is partially devoted to			
3	RESIDENTIAL PROPE			IS INTENDED FOR USE PRIMARILY AS A MULTIFAMILY 50 OR MORE UNITS.			
5	(6) (i)) '	"Qualifie	ed property" means real property that is:			
		E PRIN	MARILY	not used for residential purposes, UNLESS THE PROPERTY AS A MULTIFAMILY RESIDENTIAL PROPERTY			
9 10) the requirements of Arti			used in a trade or business by a business entity that meets 4 of the Code; and			
11 12	2 Article 83A, § 5-402 of			located in an enterprise zone that is designated under			
13 14	`			ed property" includes personal property on real property in Article 83A, § 5-401 of the Code.			
	(d) (1) The appropriate governing body shall calculate the amount of the tax credit under this section equal to a percentage of the amount of property tax imposed on the eligible assessment of the qualified property, as follows:						
18 19	(i) year in which the proper			ach of the 1st 5 taxable years following the calendar mes a qualified property;			
20) (ii	i) ′	70% in tl	ne 6th taxable year;			
21	(ii	ii) (60% in tl	ne 7th taxable year;			
22	2 (iv	v) :	50% in tl	ne 8th taxable year;			
23	3 (v	') 4	40% in tl	ne 9th taxable year; and			
24	(v	vi)	30% in tl	ne 10th taxable year.			
27 28	(2) [The] FOR PROPERTY OTHER THAN PROPERTY INTENDED FOR USE PRIMARILY AS A MULTIFAMILY RESIDENTIAL PROPERTY HAVING 50 OR MORE UNITS, THE Department shall allocate the eligible assessment to the nonresidential part of the qualified property at the same percentage as the square footage of the nonresidential part is to the total square footage of the building.						
	this section, the amount	of prop	erty tax	alculating the amount of the credit allowed under imposed on the eligible assessment shall be dits allowed under this title.			
	governing body shall ca	lculate	the amou	perty located in a focus area, the appropriate ant of the tax credit under this section equal to used on the eligible assessment of the qualified			

- 1 property for each of the 10 taxable years following the calendar year in which the 2 property initially becomes a qualified property.
- 3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 4 July 1, 2004.