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By: **Delegates Jones, Healey, Barkley, Benson, Bobo, Bozman, Bronrott, Cane, Cardin, G. Clagett, Conroy, C. Davis, D. Davis, Donoghue, Dumais, Franchot, Frush, Gaines, Goodwin, Gordon, Gutierrez, Haynes, Heller, Hixson, Howard, Hubbard, Hurson, Jameson, Kaiser, King, Kirk, Krysiak, Kullen, Love, Marriott, McHale, Menes, Moe, Montgomery, Nathan-Pulliam, Niemann, Parker, Patterson, Quinter, Ramirez, Rosenberg, Ross, Taylor, Trueschler, V. Turner, Vallario, Vaughn, and Zirkin**

Introduced and read first time: February 11, 2005  
Assigned to: Ways and Means

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 25, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Economic Development and Tax Incentive Act**

3 FOR the purpose of requiring the State Department of Assessments and Taxation to  
4 submit a Unified Property Tax Exemption and Credit Report on or before a  
5 certain date each year; specifying the contents of the property tax report;  
6 requiring the State Department of Assessments and Taxation to publish the  
7 property tax report in both written and electronic formats; requiring the  
8 Department of Business and Economic Development to submit a Unified  
9 Economic Development and Tax Incentive Report on or before a certain date  
10 each year; specifying the contents of the report; requiring the Department of  
11 Business and Economic Development to publish the economic development  
12 report in both written and electronic formats; providing an exception to certain  
13 tax information confidentiality requirements; ~~requiring all State agencies and~~  
14 ~~certain persons to cooperate and assist in providing that the Department shall~~  
15 have access to certain information for the preparation of certain reports;  
16 defining certain terms; and generally relating to the Unified Property Tax  
17 Exemption and Credit Report and the Unified Economic Development and Tax  
18 Incentive Report.

19 BY adding to  
20 Article - Tax - Property

1 Section 2-301 through ~~2-305~~ 2-306, inclusive, to be under the new subtitle  
 2 "Subtitle 3. Unified Property Tax Exemption and Credit Report"  
 3 Annotated Code of Maryland  
 4 (2001 Replacement Volume and 2004 Supplement)

5 BY adding to  
 6 Article 83A - Department of Business and Economic Development  
 7 Section 7-101 through ~~7-105~~ 7-106, inclusive, to be under the new title "Title 7.  
 8 Unified Economic Development and Tax Incentive Report"  
 9 Annotated Code of Maryland  
 10 (2003 Replacement Volume and 2004 Supplement)

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

13 **Article - Tax - Property**

14 **SUBTITLE 3. UNIFIED PROPERTY TAX EXEMPTION AND CREDIT REPORT.**

15 2-301.

16 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
 17 INDICATED.

18 (B) (1) "DEVELOPMENT SUBSIDY" MEANS AN EXPENDITURE OF AT LEAST  
 19 \$50,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING ECONOMIC  
 20 DEVELOPMENT WITHIN THE STATE.

21 (2) "DEVELOPMENT SUBSIDY" INCLUDES:

22 (I) ~~A PROPERTY TAX ABATEMENT;~~

23 ~~(II)~~ A PROPERTY TAX EXEMPTION; AND

24 ~~(III)~~ (II) A PROPERTY TAX CREDIT; ~~AND~~

25 ~~(IV)~~ TAX INCREMENT FINANCING.

26 (C) "PROPERTY TAX REPORT" MEANS THE UNIFIED PROPERTY TAX  
 27 EXEMPTION AND CREDIT REPORT.

28 2-302.

29 (A) THE DEPARTMENT SHALL SUBMIT A UNIFIED PROPERTY TAX EXEMPTION  
 30 AND CREDIT REPORT TO THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 31 OF  
 31 EACH YEAR, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

32 (B) UNLESS OTHERWISE PROHIBITED UNDER FEDERAL LAW, THE PROPERTY  
 33 TAX REPORT SHALL CONTAIN:

1 (1) A LISTING OF ALL PROPERTY TAX EXEMPTIONS OR CREDITS FOR THE  
2 PREVIOUS FISCAL YEAR THAT ARE DEVELOPMENT SUBSIDIES, INCLUDING:

3 (I) THE NAME OF THE PROPERTY OWNER;

4 (II) THE ADDRESS OF THE PROPERTY; AND

5 ~~(III) THE STARTING AND ENDING DATES FOR THE PROPERTY TAX~~  
6 ~~EXEMPTION OR CREDIT;~~

7 ~~(IV) THE SCHEDULE OF THE PROPERTY TAX EXEMPTION OR~~  
8 ~~CREDIT;~~

9 ~~(V) EACH PROPERTY TAX EXEMPTION OR CREDIT FOR THE~~  
10 ~~PROPERTY; AND~~

11 ~~(VI) (III) THE AMOUNT OF PROPERTY TAX REVENUE NOT~~  
12 ~~COLLECTED BY THE TAXING AUTHORITY AS A RESULT OF THE PROPERTY TAX~~  
13 ~~EXEMPTION OR CREDIT; AND~~

14 ~~(2) THE TOTAL OF THE PROPERTY TAX REVENUE NOT PAID TO THE~~  
15 ~~STATE AND LOCAL GOVERNMENTS IN THE PREVIOUS FISCAL YEAR BECAUSE OF A~~  
16 ~~PROPERTY TAX EXEMPTION OR CREDIT THAT IS A DEVELOPMENT SUBSIDY.~~

17 2-303.

18 THE DEPARTMENT SHALL PUBLISH THE PROPERTY TAX REPORT IN BOTH  
19 WRITTEN AND ELECTRONIC FORM AND SHALL POST THE PROPERTY TAX REPORT ON  
20 THE DEPARTMENT'S WEBSITE.

21 2-304.

22 NOTWITHSTANDING ~~§ 1-301 OF THIS ARTICLE~~ ANY OTHER PROVISION OF LAW,  
23 INFORMATION CONTAINED IN THE PROPERTY TAX REPORT SHALL BE CONSIDERED  
24 PUBLIC INFORMATION AND THE DISCLOSURE OF THE INFORMATION IS NOT A  
25 VIOLATION OF THE PROHIBITION ON THE DISCLOSURE OF TAX INFORMATION.

26 2-305.

27 ~~ALL STATE AGENCIES AND LOCAL TAXING AUTHORITIES SHALL COOPERATE~~  
28 ~~WITH AND ASSIST THE DEPARTMENT IN THE PREPARATION OF THE PROPERTY TAX~~  
29 ~~REPORT.~~

30 IN ORDER TO COMPLY WITH THE REPORTING REQUIREMENTS OF THIS  
31 SUBTITLE, THE DEPARTMENT SHALL HAVE ACCESS TO ANY AVAILABLE  
32 INFORMATION COLLECTED BY A STATE AGENCY REGARDING THE DEVELOPMENT  
33 SUBSIDY, IN THE FORM REQUIRED BY THE DEPARTMENT.

1 2-306.

2 THE REPORTING REQUIREMENTS UNDER THIS SUBTITLE SHALL APPLY TO ALL  
 3 DEVELOPMENT SUBSIDIES AWARDED FOR TAXABLE YEARS BEGINNING AFTER JUNE  
 4 30, 2005.

5 **Article 83A - Department of Business and Economic Development**

6 TITLE 7. UNIFIED ECONOMIC DEVELOPMENT AND TAX INCENTIVE REPORT.

7 7-101.

8 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

9 (B) "CORPORATE PARENT" MEANS AN ENTITY THAT OWNS OR CONTROLS 50%  
 10 OR MORE OF A SUBSIDY RECIPIENT.

11 (C) (1) "DEVELOPMENT SUBSIDY" MEANS AN EXPENDITURE OF AT LEAST  
 12 \$50,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING ECONOMIC  
 13 DEVELOPMENT WITHIN THE STATE.

14 (2) "DEVELOPMENT SUBSIDY" INCLUDES:

15 ~~(I)~~ A TAX ABATEMENT;

16 ~~(II)~~ A TAX EXEMPTION;

17 ~~(III)~~ (I) A TAX CREDIT;

18 ~~(IV)~~ TAX INCREMENT FINANCING;

19 ~~(V)~~ (II) A GRANT;

20 ~~(VI)~~ (III) A LOAN OR LOAN GUARANTEE;

21 ~~(VII)~~ (IV) MATCHING FUNDS; AND

22 ~~(VIII)~~ (V) AN ENTERPRISE OR EMPOWERMENT ZONE.

23 (D) "FULL-TIME POSITION" MEANS A JOB WHERE AN INDIVIDUAL IS  
 24 EMPLOYED BY A SUBSIDY RECIPIENT FOR AT LEAST 35 HOURS PER WEEK.

25 (E) "GRANTING BODY" MEANS A STATE AGENCY THAT PROVIDES A  
 26 DEVELOPMENT SUBSIDY.

27 (F) "PART-TIME POSITION" MEANS A JOB WHERE AN INDIVIDUAL IS  
 28 EMPLOYED BY A SUBSIDY RECIPIENT FOR LESS THAN 35 HOURS PER WEEK.

29 (G) "PROJECT SITE" MEANS THE SITE OF A PROJECT FOR WHICH A  
 30 DEVELOPMENT SUBSIDY IS PROVIDED.

1 (H) "REPORT" MEANS THE UNIFIED ECONOMIC DEVELOPMENT AND TAX  
2 INCENTIVE REPORT.

3 (I) "SUBSIDY RECIPIENT" MEANS AN INDIVIDUAL OR ENTITY THAT RECEIVES  
4 A DEVELOPMENT SUBSIDY.

5 (J) "TEMPORARY POSITION" MEANS A JOB IN WHICH AN INDIVIDUAL IS HIRED  
6 BY A SUBSIDY RECIPIENT FOR A TERM OF LESS THAN 1 YEAR.

7 7-102.

8 (A) THE DEPARTMENT SHALL SUBMIT A UNIFIED ECONOMIC DEVELOPMENT  
9 AND TAX INCENTIVE REPORT TO THE GENERAL ASSEMBLY ON OR BEFORE  
10 DECEMBER 31 OF EACH YEAR, IN ACCORDANCE WITH § 2-1246 OF THE STATE  
11 GOVERNMENT ARTICLE.

12 (B) THE REPORT SHALL CONTAIN A LISTING OF EXPENDITURES MADE FOR  
13 ECONOMIC DEVELOPMENT PURPOSES DURING THE PRIOR FISCAL YEAR, INCLUDING:

14 (1) THE TOTAL AMOUNT OF UNCOLLECTED STATE TAX REVENUES  
15 RESULTING FROM ALL CORPORATE AND OTHER BUSINESS TAX CREDITS,  
16 ~~ABATEMENTS, EXEMPTIONS,~~ AND REDUCTIONS PROVIDED BY THE STATE,  
17 INCLUDING UNDER:

18 (I) THE INCOME TAX;

19 (II) THE SALES AND USE TAX;

20 (III) THE PUBLIC SERVICE COMPANY FRANCHISE TAX;

21 (IV) THE PROPERTY TAX; AND

22 (V) THE INSURANCE PREMIUM TAX;

23 (2) THE NAME OF EACH CORPORATE OR OTHER BUSINESS TAXPAYER  
24 WHO CLAIMED A TAX CREDIT, ~~ABATEMENT, EXEMPTION,~~ OR REDUCTION THAT IS A  
25 DEVELOPMENT SUBSIDY AND THE DOLLAR AMOUNT RECEIVED BY THE TAXPAYER;

26 (3) THE NUMBER OF CORPORATE OR OTHER BUSINESS TAXPAYERS WHO  
27 CLAIMED A TAX CREDIT, ~~ABATEMENT, EXEMPTION,~~ OR REDUCTION WORTH LESS  
28 THAN \$50,000 AND A SUM OF THE DOLLAR AMOUNTS RECEIVED BY ALL SUCH  
29 TAXPAYERS; AND

30 (4) ALL EXPENDITURES FOR ECONOMIC DEVELOPMENT FOR EACH  
31 FINANCING PROGRAM ADMINISTERED BY THE DEPARTMENT, INCLUDING:

32 (I) THE MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE  
33 AUTHORITY FUND;

34 (II) THE SMART GROWTH ECONOMIC DEVELOPMENT  
35 INFRASTRUCTURE FUND;

- 1 (III) THE SUNNY DAY FUND;
- 2 (IV) THE MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING
- 3 AUTHORITY;
- 4 (V) THE MARYLAND INDUSTRIAL DEVELOPMENT FINANCING
- 5 AUTHORITY;
- 6 (VI) THE MARYLAND ECONOMIC ADJUSTMENT FUND; AND
- 7 (VII) THE ENTERPRISE INVESTMENT FUND.

8 (C) THE REPORT SUBMITTED UNDER SUBSECTION (A) OF THIS SECTION  
9 SHALL COVER THE PREVIOUS FISCAL YEAR AND SHALL CONTAIN:

- 10 (1) THE NAME AND ADDRESS OF THE SUBSIDY RECIPIENT;
- 11 (2) THE NUMBER OF JOBS CREATED, BROKEN DOWN BY FULL-TIME
- 12 POSITIONS, PART-TIME POSITIONS, AND TEMPORARY POSITIONS, WHEN
- 13 APPLICABLE;
- 14 (3) THE AVERAGE HOURLY WAGE PAID TO ALL EMPLOYEES AT A
- 15 PROJECT SITE IN WAGE GROUPS OF DOLLAR INCREMENTS BEGINNING AT A
- 16 MINIMUM WAGE THROUGH \$14 OR MORE PER HOUR, BROKEN DOWN BY FULL-TIME
- 17 POSITIONS, PART-TIME POSITIONS, AND TEMPORARY POSITIONS;
- 18 (4) ~~THE TYPE AND AMOUNT~~ TYPES AND AMOUNTS OF HEALTH CARE
- 19 COVERAGE INSURANCE PROVIDED TO AN EMPLOYEE EMPLOYEES AT A PROJECT
- 20 SITE, INCLUDING ANY COST PAID BY THE EMPLOYEE THE NUMBER OF EMPLOYEES
- 21 COVERED BY EACH TYPE OF INSURANCE;
- 22 (5) A COMPARISON OF THE TOTAL EMPLOYMENT IN THE STATE BY THE
- 23 SUBSIDY RECIPIENT ON THE DATE OF THE RECIPIENT'S APPLICATION FOR THE
- 24 DEVELOPMENT SUBSIDY AND AT THE END OF THE FISCAL YEAR COVERED BY THE
- 25 REPORT, BROKEN DOWN BY FULL-TIME POSITIONS, PART-TIME POSITIONS, AND
- 26 TEMPORARY POSITIONS; AND
- 27 (6) A CERTIFICATION SIGNED BY AN AUTHORIZED REPRESENTATIVE OF
- 28 THE SUBSIDY RECIPIENT THAT THE INFORMATION PROVIDED BY THE SUBSIDY
- 29 RECIPIENT TO THE DEPARTMENT FOR USE IN THE REPORT IS COMPLETE AND
- 30 ACCURATE.

31 7-103.

32 THE DEPARTMENT SHALL PUBLISH THE REPORT IN BOTH WRITTEN AND  
33 ELECTRONIC FORM AND SHALL POST THE REPORT ON THE DEPARTMENT'S WEBSITE.

1 7-104.

2 NOTWITHSTANDING § 13-202 OF THE TAX - GENERAL ARTICLE, INFORMATION  
3 CONTAINED IN THE REPORT SHALL BE CONSIDERED PUBLIC INFORMATION AND IS  
4 NOT A VIOLATION OF THE PROHIBITION ON THE DISCLOSURE OF TAX INFORMATION.  
5 7-105.

6 ~~ALL STATE AGENCIES AND CORPORATE PARENTS SHALL COOPERATE WITH AND~~  
7 ~~ASSIST THE DEPARTMENT IN THE PREPARATION OF THE REPORT.~~

8 IN ORDER TO COMPLY WITH THE REPORTING REQUIREMENTS OF THIS TITLE,  
9 THE DEPARTMENT SHALL HAVE ACCESS TO ANY AVAILABLE INFORMATION  
10 COLLECTED BY A STATE AGENCY REGARDING THE DEVELOPMENT SUBSIDY, IN THE  
11 FORM REQUIRED BY THE DEPARTMENT.

12 7-106.

13 THE REPORTING REQUIREMENTS UNDER THIS TITLE SHALL APPLY TO ALL  
14 DEVELOPMENT SUBSIDIES AWARDED ON OR AFTER JULY 1, 2005.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
16 effect July 1, 2005.