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Introduced and read first time: February 4, 2005

Assigned to: Budget and Taxation

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A BILL ENTITLED

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 the preparation of certain reports;  
15 defining certain terms; and generally relating to the Unified Property Tax  
16 Exemption and Credit Report and the Unified Economic Development and Tax  
17 Incentive Report.

18 BY adding to

19 Article - Tax - Property

20 Section 2-301 through 2-305, inclusive, to be under the new subtitle "Subtitle 3.

21 Unified Property Tax Exemption and Credit Report"

22 Annotated Code of Maryland

23 (2001 Replacement Volume and 2004 Supplement)

24 BY adding to

25 Article 83A - Department of Business and Economic Development

26 Section 7-101 through 7-105, inclusive, to be under the new title "Title 7.

27 Unified Economic Development and Tax Incentive Report"

28 Annotated Code of Maryland

29 (2003 Replacement Volume and 2004 Supplement)

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

3 **Article - Tax - Property**

4 SUBTITLE 3. UNIFIED PROPERTY TAX EXEMPTION AND CREDIT REPORT.

5 2-301.

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
7 INDICATED.

8 (B) (1) "DEVELOPMENT SUBSIDY" MEANS AN EXPENDITURE OF AT LEAST  
9 \$50,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING ECONOMIC  
10 DEVELOPMENT WITHIN THE STATE.

11 (2) "DEVELOPMENT SUBSIDY" INCLUDES:

12 (I) A PROPERTY TAX ABATEMENT;

13 (II) A PROPERTY TAX EXEMPTION;

14 (III) A PROPERTY TAX CREDIT; AND

15 (IV) TAX INCREMENT FINANCING.

16 (C) "PROPERTY TAX REPORT" MEANS THE UNIFIED PROPERTY TAX  
17 EXEMPTION AND CREDIT REPORT.

18 2-302.

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

22 (B) THE PROPERTY TAX REPORT SHALL CONTAIN:

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

25 (I) THE NAME OF THE PROPERTY OWNER;

26 (II) THE ADDRESS OF THE PROPERTY;

27 (III) THE STARTING AND ENDING DATES FOR THE PROPERTY TAX  
28 EXEMPTION OR CREDIT;

29 (IV) THE SCHEDULE OF THE PROPERTY TAX EXEMPTION OR  
30 CREDIT;

1 (V) EACH PROPERTY TAX EXEMPTION OR CREDIT FOR THE  
2 PROPERTY; AND

3 (VI) THE AMOUNT OF PROPERTY TAX REVENUE NOT COLLECTED BY  
4 THE TAXING AUTHORITY AS A RESULT OF THE PROPERTY TAX EXEMPTION OR  
5 CREDIT; AND

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

9 2-303.

10 THE DEPARTMENT SHALL PUBLISH THE PROPERTY TAX REPORT IN BOTH  
11 WRITTEN AND ELECTRONIC FORM AND SHALL POST THE PROPERTY TAX REPORT ON  
12 THE DEPARTMENT'S WEBSITE.

13 2-304.

14 NOTWITHSTANDING § 1-301 OF THIS ARTICLE, INFORMATION CONTAINED IN  
15 THE PROPERTY TAX REPORT SHALL BE CONSIDERED PUBLIC INFORMATION AND THE  
16 DISCLOSURE OF THE INFORMATION IS NOT A VIOLATION OF THE PROHIBITION ON  
17 THE DISCLOSURE OF TAX INFORMATION.

18 2-305.

19 ALL STATE AGENCIES AND LOCAL TAXING AUTHORITIES SHALL COOPERATE  
20 WITH AND ASSIST THE DEPARTMENT IN THE PREPARATION OF THE PROPERTY TAX  
21 REPORT.

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

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

24 7-101.

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

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

28 (C) (1) "DEVELOPMENT SUBSIDY" MEANS AN EXPENDITURE OF AT LEAST  
29 \$50,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING ECONOMIC  
30 DEVELOPMENT WITHIN THE STATE.

31 (2) "DEVELOPMENT SUBSIDY" INCLUDES:

32 (I) A TAX ABATEMENT;

33 (II) A TAX EXEMPTION;

- 1 (III) A TAX CREDIT;
- 2 (IV) TAX INCREMENT FINANCING;
- 3 (V) A GRANT;
- 4 (VI) A LOAN OR LOAN GUARANTEE;
- 5 (VII) MATCHING FUNDS; AND
- 6 (VIII) AN ENTERPRISE OR EMPOWERMENT ZONE.

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

9 (E) "GRANTING BODY" MEANS A STATE AGENCY THAT PROVIDES A  
10 DEVELOPMENT SUBSIDY.

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

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

15 (H) "REPORT" MEANS THE UNIFIED ECONOMIC DEVELOPMENT AND TAX  
16 INCENTIVE REPORT.

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

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

21 7-102.

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

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

28 (1) THE TOTAL AMOUNT OF UNCOLLECTED STATE TAX REVENUES  
29 RESULTING FROM ALL CORPORATE AND OTHER BUSINESS TAX CREDITS,  
30 ABATEMENTS, EXEMPTIONS, AND REDUCTIONS PROVIDED BY THE STATE,  
31 INCLUDING UNDER:

32 (I) THE INCOME TAX;

33 (II) THE SALES AND USE TAX;

1 (III) THE PUBLIC SERVICE COMPANY FRANCHISE TAX;

2 (IV) THE PROPERTY TAX; AND

3 (V) THE INSURANCE PREMIUM TAX;

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

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

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

13 (I) THE MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE  
14 AUTHORITY FUND;

15 (II) THE SMART GROWTH ECONOMIC DEVELOPMENT  
16 INFRASTRUCTURE FUND;

17 (III) THE SUNNY DAY FUND;

18 (IV) THE MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING  
19 AUTHORITY;

20 (V) THE MARYLAND INDUSTRIAL DEVELOPMENT FINANCING  
21 AUTHORITY;

22 (VI) THE MARYLAND ECONOMIC ADJUSTMENT FUND; AND

23 (VII) THE ENTERPRISE INVESTMENT FUND.

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

26 (1) THE NAME AND ADDRESS OF THE SUBSIDY RECIPIENT;

27 (2) THE NUMBER OF JOBS CREATED, BROKEN DOWN BY FULL-TIME  
28 POSITIONS, PART-TIME POSITIONS, AND TEMPORARY POSITIONS, WHEN  
29 APPLICABLE;

30 (3) THE AVERAGE HOURLY WAGE PAID TO ALL EMPLOYEES AT A  
31 PROJECT SITE IN WAGE GROUPS OF DOLLAR INCREMENTS BEGINNING AT A  
32 MINIMUM WAGE THROUGH \$14 OR MORE PER HOUR, BROKEN DOWN BY FULL-TIME  
33 POSITIONS, PART-TIME POSITIONS, AND TEMPORARY POSITIONS;

1           (4)     THE TYPE AND AMOUNT OF HEALTH CARE COVERAGE PROVIDED TO  
2 AN EMPLOYEE AT A PROJECT SITE, INCLUDING ANY COST PAID BY THE EMPLOYEE;

3           (5)     A COMPARISON OF THE TOTAL EMPLOYMENT IN THE STATE BY THE  
4 SUBSIDY RECIPIENT ON THE DATE OF THE RECIPIENT'S APPLICATION FOR THE  
5 DEVELOPMENT SUBSIDY AND AT THE END OF THE FISCAL YEAR COVERED BY THE  
6 REPORT, BROKEN DOWN BY FULL-TIME POSITIONS, PART-TIME POSITIONS, AND  
7 TEMPORARY POSITIONS; AND

8           (6)     A CERTIFICATION SIGNED BY AN AUTHORIZED REPRESENTATIVE OF  
9 THE SUBSIDY RECIPIENT THAT THE INFORMATION PROVIDED BY THE SUBSIDY  
10 RECIPIENT TO THE DEPARTMENT FOR USE IN THE REPORT IS COMPLETE AND  
11 ACCURATE.

12 7-103.

13     THE DEPARTMENT SHALL PUBLISH THE REPORT IN BOTH WRITTEN AND  
14 ELECTRONIC FORM AND SHALL POST THE REPORT ON THE DEPARTMENT'S WEBSITE.  
15 7-104.

16     NOTWITHSTANDING § 13-202 OF THE TAX - GENERAL ARTICLE, INFORMATION  
17 CONTAINED IN THE REPORT SHALL BE CONSIDERED PUBLIC INFORMATION AND IS  
18 NOT A VIOLATION OF THE PROHIBITION ON THE DISCLOSURE OF TAX INFORMATION.  
19 7-105.

20     ALL STATE AGENCIES AND CORPORATE PARENTS SHALL COOPERATE WITH AND  
21 ASSIST THE DEPARTMENT IN THE PREPARATION OF THE REPORT.

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