

# HOUSE BILL 327

Q1

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By: **Delegates Feldman, Ali, Barkley, Bronrott, Dumais, Gilchrist, Haddaway, Hecht, Jameson, N. King, Kramer, Lawton, Lee, Levi, Manno, Mathias, Miller, Morhaim, Myers, Rice, Taylor, Vaughn, and Walkup**

Introduced and read first time: January 31, 2007

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Exemption for Property Used as a Publicly Sponsored**  
3 **Business Incubator**

4 FOR the purpose of exempting from the State and local property tax certain property  
5 that is used as a business incubator; defining a certain term; providing for the  
6 application of this Act; and generally relating to a State and local property tax  
7 exemption for certain property that is used as a business incubator.

8 BY adding to

9 Article – Tax – Property

10 Section 7–242

11 Annotated Code of Maryland

12 (2001 Replacement Volume and 2006 Supplement)

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

15 **Article – Tax – Property**

16 **7–242.**

17 (A) IN THIS SECTION, “BUSINESS INCUBATOR” MEANS A PROGRAM IN  
18 WHICH UNITS OF SPACE ARE LEASED BY MULTIPLE EARLY–STAGE BUSINESSES  
19 THAT SHARE PHYSICAL COMMON SPACE, ADMINISTRATIVE SERVICES AND

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **EQUIPMENT, BUSINESS MANAGEMENT TRAINING, MENTORING, AND TECHNICAL**  
2 **SUPPORT.**

3 **(B) PROPERTY THAT IS USED AS A BUSINESS INCUBATOR IS NOT**  
4 **SUBJECT TO PROPERTY TAX IF THE STATE, A COUNTY, A MUNICIPAL**  
5 **CORPORATION, A PUBLIC INSTITUTION OF HIGHER EDUCATION, OR AN AGENCY**  
6 **OR INSTRUMENTALITY OF THE STATE, A COUNTY, A MUNICIPAL CORPORATION,**  
7 **OR A PUBLIC INSTITUTION OF HIGHER EDUCATION:**

8 **(1) OWNS, CONTROLS, OR LEASES THE SPACE THAT IS USED AS A**  
9 **BUSINESS INCUBATOR;**

10 **(2) PROVIDES AT LEAST 50% OF THE TOTAL FUNDING RECEIVED**  
11 **BY THE BUSINESS INCUBATOR FROM ALL SOURCES, NOT INCLUDING RENTS**  
12 **RECEIVED FROM INCUBATOR TENANT FIRMS; OR**

13 **(3) IS REPRESENTED ON THE GOVERNANCE BOARD THAT**  
14 **AUTHORIZES THE ANNUAL BUDGET OF THE BUSINESS INCUBATOR.**

15 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect  
16 **June 1, 2007, and shall be applicable to taxable years beginning after June 30, 2007.**