

# HOUSE BILL 983

C8  
HB 1066/05 – W&M

71r1990  
CF SB 614

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By: **Delegates Jones, Barkley, Bobo, Cane, Cardin, G. Clagett, DeBoy, Frush, Gaines, Gilchrist, Gutierrez, Haynes, Hecht, Heller, Hixson, Holmes, Howard, Hubbard, Hucker, Ivey, Jameson, Kaiser, N. King, Kirk, Kullen, Lafferty, Lawton, Lee, Malone, Manno, Niemann, Olszewski, Pendergrass, Ramirez, Rice, Riley, Ross, Schuler, Stukes, Taylor, F. Turner, Vaughn, and Waldstreicher**

Introduced and read first time: February 9, 2007

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2007

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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 to  
14 cooperate and assist in the preparation of certain reports; requiring the State  
15 Department of Assessments and Taxation to have access to certain information  
16 for the preparation of certain reports; authorizing the State Department of

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Assessments and Taxation and the Department of Business and Economic  
 2 Development to adopt certain regulations; defining certain terms; and generally  
 3 relating to the Unified Property Tax Exemption and Credit Report and the  
 4 Unified Economic Development and Tax Incentive Report.

5 BY adding to

6 Article – Tax – Property

7 Section 2–301 through 2–307 to be under the new subtitle “Subtitle 3. Unified  
 8 Property Tax Exemption and Credit Report”

9 Annotated Code of Maryland

10 (2001 Replacement Volume and 2006 Supplement)

11 BY adding to

12 Article 83A – Department of Business and Economic Development

13 Section 7–101 through 7–106 to be under the new title “Title 7. Unified  
 14 Economic Development and Tax Incentive Report”

15 Annotated Code of Maryland

16 (2003 Replacement Volume and 2006 Supplement)

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

19 **Article – Tax – Property**

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

21 **2–301.**

22 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
 23 INDICATED.

24 (B) (1) **“DEVELOPMENT SUBSIDY” MEANS AN EXPENDITURE OF AT**  
 25 **LEAST ~~\$50,000~~ \$100,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING**  
 26 **ECONOMIC DEVELOPMENT IN THE STATE.**

27 (2) **“DEVELOPMENT SUBSIDY” INCLUDES:**

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

29 ~~(II)~~ **A PROPERTY TAX EXEMPTION; AND**

30 ~~(III)~~ **(II) A PROPERTY TAX CREDIT; AND**

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

2            (C) "PROPERTY TAX REPORT" MEANS THE UNIFIED PROPERTY TAX  
3 EXEMPTION AND CREDIT REPORT.

4 **2-302.**

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

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

11            ~~(I)~~ A LISTING OF ALL PROPERTY TAX EXEMPTIONS OR CREDITS  
12 FOR THE PREVIOUS FISCAL YEAR THAT ARE DEVELOPMENT SUBSIDIES,  
13 INCLUDING:

14                    ~~(I)~~ (1) THE NAME OF THE PROPERTY OWNER;

15                    ~~(II)~~ (2) THE ADDRESS OF THE PROPERTY; AND

16                    ~~(III)~~ (3) THE TOTAL AMOUNT OF PROPERTY TAX REVENUE  
17 NOT COLLECTED BY THE TAXING AUTHORITY OR NOT PAID TO THE STATE IN  
18 THE PREVIOUS FISCAL YEAR AS A RESULT OF THE PROPERTY TAX EXEMPTION  
19 OR CREDIT; AND.

20                    ~~(2) THE TOTAL OF THE PROPERTY TAX REVENUE NOT PAID TO~~  
21 ~~THE STATE IN THE PREVIOUS FISCAL YEAR BECAUSE OF A PROPERTY TAX~~  
22 ~~EXEMPTION OR CREDIT THAT IS A DEVELOPMENT SUBSIDY.~~

23            (C) THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THE  
24 PROVISIONS OF THIS SUBTITLE.

25 **2-303.**

1           **THE DEPARTMENT SHALL PUBLISH THE PROPERTY TAX REPORT IN BOTH**  
2 **WRITTEN AND ELECTRONIC FORM AND SHALL POST THE PROPERTY TAX**  
3 **REPORT ON THE DEPARTMENT’S WEBSITE.**

4           **2-304.**

5           **NOTWITHSTANDING ANY OTHER PROVISION OF LAW, INFORMATION**  
6 **CONTAINED IN THE PROPERTY TAX REPORT SHALL BE CONSIDERED PUBLIC**  
7 **INFORMATION AND THE DISCLOSURE OF THE INFORMATION IS NOT A**  
8 **VIOLATION OF THE PROHIBITION ON THE DISCLOSURE OF TAX INFORMATION.**

9           **2-305.**

10           **EACH STATE AGENCY SHALL COOPERATE WITH AND ASSIST THE**  
11 **DEPARTMENT IN THE PREPARATION OF THE PROPERTY TAX REPORT.**

12           **2-306.**

13           **TO COMPLY WITH THE REPORTING REQUIREMENTS OF THIS SUBTITLE,**  
14 **THE DEPARTMENT SHALL HAVE ACCESS TO ALL PERTINENT INFORMATION**  
15 **COLLECTED BY A STATE AGENCY REGARDING THE DEVELOPMENT SUBSIDY IN**  
16 **THE FORM REQUIRED BY THE DEPARTMENT.**

17           **2-307.**

18           **THE REPORTING REQUIREMENTS UNDER THIS SUBTITLE SHALL APPLY TO**  
19 **ALL DEVELOPMENT SUBSIDIES AWARDED FOR TAXABLE YEARS BEGINNING**  
20 **AFTER JUNE 30, ~~2007~~ 2008.**

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

22           **TITLE 7. UNIFIED ECONOMIC DEVELOPMENT AND TAX INCENTIVE REPORT.**

23           **7-101.**

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

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

1           (C) (1) **“DEVELOPMENT SUBSIDY” MEANS AN EXPENDITURE OF AT**  
2 **LEAST ~~\$50,000~~ \$100,000 OF PUBLIC FUNDS UNDER AN ECONOMIC**  
3 **DEVELOPMENT OR TAX INCENTIVE PROGRAM THAT IS ADMINISTERED BY THE**  
4 **DEPARTMENT FOR THE PURPOSE OF STIMULATING ECONOMIC DEVELOPMENT**  
5 **IN THE STATE.**

6           (2) **“DEVELOPMENT SUBSIDY” INCLUDES:**

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

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

9                   ~~(III)~~ (II) A TAX CREDIT;

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

11                   ~~(V)~~ (III) A GRANT;

12                   ~~(VI)~~ (IV) A LOAN OR LOAN GUARANTEE;

13                   ~~(VII)~~ (V) MATCHING FUNDS; AND

14                   ~~(VIII)~~ (VI) AN ENTERPRISE OR EMPOWERMENT ZONE.

15           (D) **“FULL-TIME POSITION” MEANS A JOB IN WHICH AN INDIVIDUAL IS**  
16 **EMPLOYED BY A SUBSIDY RECIPIENT FOR AT LEAST 35 HOURS PER WEEK.**

17           (E) **“GRANTING BODY” MEANS A STATE AGENCY THAT PROVIDES A**  
18 **DEVELOPMENT SUBSIDY.**

19           (F) **“PART-TIME POSITION” MEANS A JOB IN WHICH AN INDIVIDUAL IS**  
20 **EMPLOYED BY A SUBSIDY RECIPIENT FOR LESS THAN 35 HOURS PER WEEK.**

21           (G) **“PROJECT SITE” MEANS THE SITE OF A PROJECT FOR WHICH A**  
22 **DEVELOPMENT SUBSIDY IS PROVIDED.**

23           (H) **“REPORT” MEANS THE UNIFIED ECONOMIC DEVELOPMENT AND**  
24 **TAX INCENTIVE REPORT.**

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

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

5 **7-102.**

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

10 (B) ~~THE~~ UNLESS OTHERWISE PROHIBITED UNDER FEDERAL LAW, THE  
11 REPORT SHALL CONTAIN A LISTING OF EXPENDITURES UNDER AN ECONOMIC  
12 DEVELOPMENT OR TAX INCENTIVE PROGRAM THAT IS ADMINISTERED BY THE  
13 DEPARTMENT AND MADE FOR ECONOMIC DEVELOPMENT PURPOSES DURING  
14 THE PREVIOUS FISCAL YEAR, INCLUDING:

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

19 (I) THE INCOME TAX;

20 (II) THE SALES AND USE TAX;

21 (III) THE PUBLIC SERVICE COMPANY FRANCHISE TAX;

22 (IV) THE PROPERTY TAX; AND

23 (V) THE INSURANCE PREMIUM TAX;

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

1           (3) ~~THE NUMBER OF CORPORATE OR OTHER BUSINESS~~  
2 ~~TAXPAYERS~~ SUBSIDY RECIPIENTS WHO CLAIMED A TAX CREDIT, ABATEMENT, OR  
3 EXEMPTION, OR REDUCTION UNDER AN ECONOMIC DEVELOPMENT OR TAX  
4 INCENTIVE PROGRAM ADMINISTERED BY THE DEPARTMENT WORTH LESS THAN  
5 ~~\$50,000~~ \$100,000 ~~AND A~~ THE AGGREGATE SUM OF THE DOLLAR AMOUNTS  
6 RECEIVED BY ~~ALL~~ THOSE TAXPAYERS; AND

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

9                   (I) THE MARYLAND ECONOMIC DEVELOPMENT  
10 ASSISTANCE AUTHORITY FUND;

11                   (II) THE ECONOMIC DEVELOPMENT OPPORTUNITIES  
12 ACCOUNT (“SUNNY DAY FUND”);

13                   (III) THE MARYLAND SMALL BUSINESS DEVELOPMENT  
14 FINANCING AUTHORITY;

15                   (IV) THE MARYLAND INDUSTRIAL DEVELOPMENT  
16 FINANCING AUTHORITY;

17                   (V) THE MARYLAND ECONOMIC ADJUSTMENT FUND; AND

18                   (VI) THE ENTERPRISE INVESTMENT FUND.

19           (C) THE REPORT SUBMITTED UNDER SUBSECTION (A) OF THIS SECTION  
20 SHALL COVER THE PREVIOUS FISCAL YEAR AND SHALL CONTAIN THE  
21 FOLLOWING INFORMATION CURRENT AS OF THE LAST DAY OF THE PREVIOUS  
22 FISCAL YEAR:

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

24                   (2) THE NUMBER OF JOBS CREATED, BROKEN DOWN BY  
25 FULL-TIME POSITIONS, PART-TIME POSITIONS, AND TEMPORARY POSITIONS,  
26 WHEN APPLICABLE;

27                   (3) ~~THE AVERAGE HOURLY WAGE PAID TO ALL EMPLOYEES AT A~~  
28 ~~PROJECT SITE IN WAGE GROUPS OF DOLLAR INCREMENTS BEGINNING AT A~~  
29 ~~MINIMUM WAGE THROUGH \$14 OR MORE PER HOUR, LISTED BY FULL-TIME~~

1 ~~POSITIONS, PART-TIME POSITIONS, AND TEMPORARY POSITIONS~~ NUMBER OF  
2 POSITIONS AT A PROJECT SITE, BROKEN DOWN BY FULL-TIME, PART-TIME, AND  
3 TEMPORARY POSITIONS, PAYING AN HOURLY WAGE BETWEEN:

4 (I) THE MINIMUM WAGE AND \$8.15;

5 (II) \$8.16 AND \$10.15;

6 (III) \$10.16 AND \$12.15;

7 (IV) \$12.16 AND \$14.15; AND

8 (V) \$14.16 AND OVER;

9 (4) THE TYPES AND AMOUNTS OF HEALTH INSURANCE PROVIDED  
10 TO EMPLOYEES AT A PROJECT SITE, INCLUDING THE NUMBER OF EMPLOYEES  
11 ENROLLED IN EACH TYPE OF INSURANCE;

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

17 (6) A CERTIFICATION SIGNED BY AN AUTHORIZED  
18 REPRESENTATIVE OF THE SUBSIDY RECIPIENT THAT THE INFORMATION  
19 PROVIDED BY THE SUBSIDY RECIPIENT TO THE DEPARTMENT FOR USE IN THE  
20 REPORT IS COMPLETE AND ACCURATE.

21 (D) THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THE  
22 PROVISIONS OF THIS TITLE.

23 **7-103.**

24 THE DEPARTMENT SHALL PUBLISH THE REPORT IN BOTH WRITTEN AND  
25 ELECTRONIC FORM AND SHALL POST THE REPORT ON THE DEPARTMENT'S  
26 WEBSITE.

27 **7-104.**



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

5 **7-105.**

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

10 **7-106.**

11 THE REPORTING REQUIREMENTS UNDER THIS TITLE SHALL APPLY TO ALL  
12 DEVELOPMENT SUBSIDIES AWARDED ON OR AFTER JULY 1, ~~2007~~ 2008.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 ~~July~~ October 1, 2007.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
Speaker of the House of Delegates.

\_\_\_\_\_  
President of the Senate.