

SENATE BILL 274

Q2

7lr2134

By: **Senator Edwards**

Introduced and read first time: January 31, 2007

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2007

CHAPTER _____

1 AN ACT concerning

2 **Garrett County – Property Tax Credit – New or Expanding Businesses**

3 FOR the purpose of authorizing the governing body of Garrett County to grant, by law,
4 a property tax credit against the county property tax imposed on certain real
5 property owned or occupied by certain businesses in Garrett County under
6 certain circumstances and subject to certain limitations and requirements;
7 authorizing the governing body of Garrett County to specify, by law, certain
8 criteria for qualification for the credit and to provide, by law, for the amount
9 and duration of the credit, ~~qualifications and~~ application procedures for the
10 credit, and other provisions for the credit; providing for the application of this
11 Act; and generally relating to authorization for a property tax credit in Garrett
12 County for certain real property owned or occupied by certain businesses in
13 Garrett County under certain circumstances.

14 BY adding to

15 Article – Tax – Property

16 Section 9–313(b)(7)

17 Annotated Code of Maryland

18 (2001 Replacement Volume and 2006 Supplement)

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.



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

Article – Tax – Property

9–313.

(b) (7) (I) THE GOVERNING BODY OF GARRETT COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY PROPERTY TAX IMPOSED ON REAL PROPERTY THAT IS NEW CONSTRUCTION OR AN IMPROVEMENT TO REAL PROPERTY OWNED OR OCCUPIED BY A COMMERCIAL OR INDUSTRIAL BUSINESS THAT:

1. IS CURRENTLY OR WILL BE DOING BUSINESS IN GARRETT COUNTY;

2. WILL EMPLOY ~~AT LEAST 12~~ ADDITIONAL FULL-TIME LOCAL EMPLOYEES IN THE COUNTY BY THE SECOND YEAR IN WHICH THE CREDIT IS ALLOWED, NOT INCLUDING ANY EMPLOYEE FILLING A JOB CREATED WHEN A JOB FUNCTION IS SHIFTED FROM AN EXISTING LOCATION IN THE STATE TO THE LOCATION OF THE NEW CONSTRUCTION OR IMPROVEMENT; AND

3. MAKES A SUBSTANTIAL INVESTMENT IN GARRETT COUNTY, ~~WHICH MAY BE:~~

~~A. THE ACQUISITION OF A BUILDING, LAND, OR EQUIPMENT THAT TOTALS AT LEAST \$2,000,000; OR~~

~~B. THE CREATION OF 10 POSITIONS WITH SALARIES GREATER THAN THE CURRENT AVERAGE ANNUAL WAGE IN GARRETT COUNTY.~~

(II) ~~IN ESTABLISHING A TAX CREDIT UNDER THIS PARAGRAPH, THE~~ THE GOVERNING BODY OF GARRETT COUNTY, BY LAW, MAY:

~~1. SHALL DEVELOP CRITERIA NECESSARY TO IMPLEMENT THE CREDIT;~~

1. SPECIFY THE MINIMUM INVESTMENT OR JOB CREATION REQUIREMENTS FOR QUALIFICATION FOR THE CREDIT;

1 2. ~~SHALL~~ DESIGNATE AN AGENCY TO ADMINISTER
2 THE CREDIT; AND

3 3. ~~MAY~~ SPECIFY:

4 A. THE AMOUNT AND DURATION OF THE CREDIT;

5 B. ~~THE QUALIFICATIONS~~ AND APPLICATION
6 PROCEDURES FOR THE CREDIT; AND

7 C. ANY ADDITIONAL CRITERIA FOR ELIGIBILITY OR
8 ANY OTHER REQUIREMENT OR PROCEDURE FOR THE GRANTING OR
9 ADMINISTRATION OF THE CREDIT THAT THE GOVERNING BODY CONSIDERS
10 APPROPRIATE.

11 (III) A PROPERTY TAX CREDIT UNDER THIS PARAGRAPH MAY
12 NOT EXCEED THE AMOUNT OF COUNTY PROPERTY TAX IMPOSED ON THE
13 INCREASE IN ASSESSMENT THAT IS DUE TO THE NEW CONSTRUCTION OR
14 IMPROVEMENTS MADE TO THE PROPERTY OF THE PERSON APPLYING FOR THE
15 CREDIT.

16 (IV) IF A PROPERTY TAX CREDIT UNDER THIS PARAGRAPH IS
17 GRANTED FOR PROPERTY LEASED OR RENTED BY A COMMERCIAL OR
18 INDUSTRIAL BUSINESS:

19 1. THE AMOUNT OF THE TAX CREDIT ALLOWED
20 SHALL PASS THROUGH TO THE COMMERCIAL OR INDUSTRIAL BUSINESS THAT
21 CONDUCTS THE ACTIVITY THAT QUALIFIES FOR THE CREDIT; AND

22 2. THE TERM OF THE TAX CREDIT MAY NOT EXCEED
23 THE TERM OF THE LEASE AND MAY NOT EXCEED 10 YEARS.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 June 1, 2007, and shall be applicable to all taxable years beginning after June 30,
26 2007.