

# SENATE BILL 614

C8  
SB 780/05 – B&T & FIN

71r2037  
CF 71r1990

By: **Senators Jones, Britt, Della, Dyson, Kelley, Madaleno, Pinsky, Robey, and Stone**

Introduced and read first time: February 2, 2007

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 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; defining certain terms; and generally  
17 relating to the Unified Property Tax Exemption and Credit Report and the  
18 Unified Economic Development and Tax Incentive Report.

19 BY adding to

20 Article – Tax – Property  
21 Section 2–301 through 2–307 to be under the new subtitle “Subtitle 3. Unified  
22 Property Tax Exemption and Credit Report”  
23 Annotated Code of Maryland  
24 (2001 Replacement Volume and 2006 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to  
 2 Article 83A – Department of Business and Economic Development  
 3 Section 7–101 through 7–106 to be under the new title “Title 7. Unified  
 4 Economic Development and Tax Incentive Report”  
 5 Annotated Code of Maryland  
 6 (2003 Replacement Volume and 2006 Supplement)

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

9 **Article – Tax – Property**

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

11 **2–301.**

12 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
 13 INDICATED.

14 (B) (1) “DEVELOPMENT SUBSIDY” MEANS AN EXPENDITURE OF AT  
 15 LEAST \$50,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING  
 16 ECONOMIC DEVELOPMENT IN THE STATE.

17 (2) “DEVELOPMENT SUBSIDY” INCLUDES:

18 (I) A PROPERTY TAX ABATEMENT;

19 (II) A PROPERTY TAX EXEMPTION;

20 (III) A PROPERTY TAX CREDIT; AND

21 (IV) TAX INCREMENT FINANCING.

22 (C) “PROPERTY TAX REPORT” MEANS THE UNIFIED PROPERTY TAX  
 23 EXEMPTION AND CREDIT REPORT.

24 **2–302.**

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

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

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

10                           (I) THE NAME OF THE PROPERTY OWNER;

11                           (II) THE ADDRESS OF THE PROPERTY; AND

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

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

18 **2-303.**

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

22 **2-304.**

23           NOTWITHSTANDING ANY OTHER PROVISION OF LAW, INFORMATION  
24 CONTAINED IN THE PROPERTY TAX REPORT SHALL BE CONSIDERED PUBLIC  
25 INFORMATION AND THE DISCLOSURE OF THE INFORMATION IS NOT A  
26 VIOLATION OF THE PROHIBITION ON THE DISCLOSURE OF TAX INFORMATION.

27 **2-305.**

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

3 **2-306.**

4           **TO COMPLY WITH THE REPORTING REQUIREMENTS OF THIS SUBTITLE,**  
5 **THE DEPARTMENT SHALL HAVE ACCESS TO ALL PERTINENT INFORMATION**  
6 **COLLECTED BY A STATE AGENCY REGARDING THE DEVELOPMENT SUBSIDY IN**  
7 **THE FORM REQUIRED BY THE DEPARTMENT.**

8 **2-307.**

9           **THE REPORTING REQUIREMENTS UNDER THIS SUBTITLE SHALL APPLY TO**  
10 **ALL DEVELOPMENT SUBSIDIES AWARDED FOR TAXABLE YEARS BEGINNING**  
11 **AFTER JUNE 30, 2007.**

12           **Article 83A – Department of Business and Economic Development**

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

14 **7-101.**

15           **(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
16 **INDICATED.**

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

19           **(C) (1) “DEVELOPMENT SUBSIDY” MEANS AN EXPENDITURE OF AT**  
20 **LEAST \$50,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING**  
21 **ECONOMIC DEVELOPMENT IN THE STATE.**

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

23                   **(I) A TAX ABATEMENT;**

24                   **(II) A TAX EXEMPTION;**

25                   **(III) A TAX CREDIT;**

1 (IV) TAX INCREMENT FINANCING;

2 (V) A GRANT;

3 (VI) A LOAN OR LOAN GUARANTEE;

4 (VII) MATCHING FUNDS; AND

5 (VIII) AN ENTERPRISE OR EMPOWERMENT ZONE.

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

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

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

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

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

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

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

20 **7-102.**

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

1           **(B) THE REPORT SHALL CONTAIN A LISTING OF EXPENDITURES MADE**  
2 **FOR ECONOMIC DEVELOPMENT PURPOSES DURING THE PREVIOUS FISCAL**  
3 **YEAR, INCLUDING:**

4           **(1) THE TOTAL AMOUNT OF UNCOLLECTED STATE TAX REVENUES**  
5 **RESULTING FROM ALL CORPORATE AND OTHER BUSINESS TAX CREDITS,**  
6 **ABATEMENTS, EXEMPTIONS, AND REDUCTIONS PROVIDED BY THE STATE,**  
7 **INCLUDING UNDER:**

8                   **(I) THE INCOME TAX;**

9                   **(II) THE SALES AND USE TAX;**

10                  **(III) THE PUBLIC SERVICE COMPANY FRANCHISE TAX;**

11                  **(IV) THE PROPERTY TAX; AND**

12                  **(V) THE INSURANCE PREMIUM TAX;**

13           **(2) THE NAME OF EACH CORPORATE OR OTHER BUSINESS**  
14 **TAXPAYER WHO CLAIMED A TAX CREDIT, ABATEMENT, EXEMPTION, OR**  
15 **REDUCTION THAT IS A DEVELOPMENT SUBSIDY AND THE DOLLAR AMOUNT**  
16 **RECEIVED BY THE TAXPAYER;**

17           **(3) THE NUMBER OF CORPORATE OR OTHER BUSINESS**  
18 **TAXPAYERS WHO CLAIMED A TAX CREDIT, ABATEMENT, EXEMPTION, OR**  
19 **REDUCTION WORTH LESS THAN \$50,000 AND A SUM OF THE DOLLAR AMOUNTS**  
20 **RECEIVED BY ALL THOSE TAXPAYERS; AND**

21           **(4) ALL EXPENDITURES FOR ECONOMIC DEVELOPMENT FOR**  
22 **EACH FINANCING PROGRAM ADMINISTERED BY THE DEPARTMENT, INCLUDING:**

23                   **(I) THE MARYLAND ECONOMIC DEVELOPMENT**  
24 **ASSISTANCE AUTHORITY FUND;**

25                   **(II) THE ECONOMIC DEVELOPMENT OPPORTUNITIES**  
26 **ACCOUNT (“SUNNY DAY FUND”);**

1                   (III) THE MARYLAND SMALL BUSINESS DEVELOPMENT  
2 FINANCING AUTHORITY;

3                   (IV) THE MARYLAND INDUSTRIAL DEVELOPMENT  
4 FINANCING AUTHORITY;

5                   (V) THE MARYLAND ECONOMIC ADJUSTMENT FUND; AND

6                   (VI) THE ENTERPRISE INVESTMENT FUND.

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

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

10                  (2) THE NUMBER OF JOBS CREATED, BROKEN DOWN BY  
11 FULL-TIME POSITIONS, PART-TIME POSITIONS, AND TEMPORARY POSITIONS,  
12 WHEN APPLICABLE;

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

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

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

25                  (6) A CERTIFICATION SIGNED BY AN AUTHORIZED  
26 REPRESENTATIVE OF THE SUBSIDY RECIPIENT THAT THE INFORMATION  
27 PROVIDED BY THE SUBSIDY RECIPIENT TO THE DEPARTMENT FOR USE IN THE  
28 REPORT IS COMPLETE AND ACCURATE.

1 **7-103.**

2 **THE DEPARTMENT SHALL PUBLISH THE REPORT IN BOTH WRITTEN AND**  
3 **ELECTRONIC FORM AND SHALL POST THE REPORT ON THE DEPARTMENT'S**  
4 **WEBSITE.**

5 **7-104.**

6 **NOTWITHSTANDING § 13-202 OF THE TAX - GENERAL ARTICLE,**  
7 **INFORMATION CONTAINED IN THE REPORT SHALL BE CONSIDERED PUBLIC**  
8 **INFORMATION AND IS NOT A VIOLATION OF THE PROHIBITION ON THE**  
9 **DISCLOSURE OF TAX INFORMATION.**

10 **7-105.**

11 **TO COMPLY WITH THE REPORTING REQUIREMENTS OF THIS TITLE, THE**  
12 **DEPARTMENT SHALL HAVE ACCESS TO ANY AVAILABLE INFORMATION**  
13 **COLLECTED BY A STATE AGENCY REGARDING THE DEVELOPMENT SUBSIDY IN**  
14 **THE FORM REQUIRED BY THE DEPARTMENT.**

15 **7-106.**

16 **THE REPORTING REQUIREMENTS UNDER THIS TITLE SHALL APPLY TO ALL**  
17 **DEVELOPMENT SUBSIDIES AWARDED ON OR AFTER JULY 1, 2007.**

18 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
19 **July 1, 2007.**