

**SB0206/879732/1**

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 206

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “providing” in line 8 down through “claimed;” in line 11 and substitute “providing that certain benefits provided in certain designated enterprise zones do not apply to certain businesses in certain locations except under certain circumstances; providing for certain State payments under certain circumstances to certain political subdivisions for financing infrastructure improvements in BRAC Revitalization and Incentive Zones; requiring certain political subdivisions to submit certain reports to the Department of Business and Economic Development; requiring the Department to submit certain reports to the Governor and General Assembly;”; in line 17, strike “Maryland Department of Transportation” and substitute “State”; in line 18, strike “agreement”; in the same line, strike the second “a”; in line 20, after “State” insert “and local”; in line 25, after “time;” insert “limiting the payment that may be required under certain payment in lieu of tax agreements;”; strike beginning with “State” in line 25 down through “the” in line 26; in line 27, strike “disallowing” and substitute “providing that”; and in line 28, strike “for” and substitute “do not apply to”.

On pages 1 and 2, strike beginning with “repealing” in line 28 on page 1 down through “installation;” in line 1 on page 2.

On page 2, in line 2, strike “of” and substitute “and effective date of certain provisions of”; in line 4, strike “tax benefits for” and substitute “the property taxation of”; strike in their entirety lines 10 through 20, inclusive, and substitute:

“BY repealing and reenacting, with amendments,  
Article – Economic Development

(Over)

Section 5-102, 5-105, and 12-206  
Annotated Code of Maryland  
(As enacted by Ch. \_\_\_\_ (H.B. 1050) of the Acts of the General Assembly of 2008)

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 5-707(d)

Annotated Code of Maryland

(As enacted by Ch. \_\_\_\_ (H.B. 1050) of the Acts of the General Assembly of 2008)

BY adding to

Article – Economic Development

Section 5-707(e); and 5-1201 through 5-1207, to be under the new subtitle  
“Subtitle 12. BRAC Revitalization and Incentive Zones”

Annotated Code of Maryland

(As enacted by Ch. \_\_\_\_ (H.B. 1050) of the Acts of the General Assembly of  
2008”);

and strike in their entirety lines 26 through 40, inclusive.

On page 3, strike in their entirety lines 1 through 5, inclusive; in line 8, strike “7-211(a) and (c)” and substitute “7-211(c)”; in the same line, strike “7-211.2.”; and after line 10, insert:

“BY adding to

Article – Tax – Property

Section 2-222 and 7-211.3

Annotated Code of Maryland

(2007 Replacement Volume)”.

## AMENDMENT NO. 2

On page 3, strike in their entirety lines 32 through 34, inclusive.

AMENDMENT NO. 3

On page 4, in line 32, strike “**REMITTED**” and substitute “**PROVIDED**”; and in line 33, strike “§ **9-110(C) OR (D)**” and substitute “§ **2-222**”.

On page 5, strike in their entirety lines 7 through 18, inclusive, and substitute:

“Article – Economic Development

5-102.

The Department shall administer the State’s economic development and financial assistance programs and funds including:

(1) THE BRAC REVITALIZATION AND INCENTIVE ZONE PROGRAM, UNDER SUBTITLE 12 OF THIS TITLE;

(2) the Enterprise Fund, under Subtitle 6 of this title;

[(2)] (3) the Enterprise Zones Program, under Subtitle 7 of this title;

[(3)] (4) the Maryland Economic Adjustment Fund, under Subtitle 2 of this title;

[(4)] (5) the Maryland Economic Development Assistance Authority and Fund, under Subtitle 3 of this title;

[(5)] (6) the Maryland Industrial Development Financing Authority, under Subtitle 4 of this title;

(Over)

[(6)] (7) the Maryland Small Business Development Financing Authority, under Subtitle 5 of this title;

[(7)] (8) the Appalachian Regional Development Program, under Title 13, Subtitle 1 of this article;

[(8)] (9) jointly with the Department of Housing and Community Development, the Community Development Block Grant for Economic Development; and

[(9)] (10) any other programs or funds designated by statute, the Governor, or the Secretary.

5-105.

When deciding whether to provide financial assistance for a business project, the Department shall consider whether the project will be located:

(1) in an enterprise zone or a focus area as designated under Subtitle 7 of this title; OR

(2) IN A BRAC REVITALIZATION AND INCENTIVE ZONE AS DESIGNATED UNDER SUBTITLE 12 OF THIS TITLE.

5-707.

(d) (1) Except as provided in § 10-702 of the Tax – General Article and § 9-103 of the Tax – Property Article, the incentives and initiatives set forth in this section are available for 10 years after the date that an area is designated an enterprise zone.

(2) A law enacted after the enactment of this section that eliminates or reduces the benefits available to a business entity under this section does not apply to a business entity that was in an enterprise zone before the effective date of the law.

(E) (1) (I) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION, EXCEPT FOR A BUSINESS ENTITY CERTIFIED TO RECEIVE A PROPERTY TAX CREDIT UNDER § 9-103 OF THE TAX – PROPERTY ARTICLE FOR A TAX YEAR BEGINNING BEFORE JULY 1, 2008, A BUSINESS ENTITY LOCATED IN AN ENTERPRISE ZONE MAY NOT RECEIVE THE INCENTIVES AND INITIATIVES SET FORTH IN SUBSECTION (A)(1) AND (2) OF THIS SECTION IF THE ENTITY IS LOCATED ON LAND OR WITHIN IMPROVEMENTS OWNED BY THE FEDERAL GOVERNMENT, THE STATE, A COUNTY, OR A MUNICIPAL CORPORATION UNLESS THE BUSINESS ENTITY HAS FIRST UTILIZED ALL APPLICABLE PROPERTY TAX EXEMPTIONS UNDER TITLE 7 OF THE TAX – PROPERTY ARTICLE, INCLUDING ENTERING INTO ANY AVAILABLE PAYMENT IN LIEU OF TAX AGREEMENT.

(II) SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT APPLY TO A BUSINESS ENTITY LEASING LAND OR IMPROVEMENTS OWNED BY THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION.

(2) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION, A BUSINESS ENTITY LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE ESTABLISHED UNDER SUBTITLE 12 OF THIS TITLE MAY NOT RECEIVE THE PROPERTY TAX CREDIT UNDER § 9-103 OF THE TAX – PROPERTY ARTICLE UNLESS:

(I) THE BUSINESS ENTITY QUALIFIED FOR THE PROPERTY TAX CREDIT BEFORE THE DATE THAT THE BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED; OR

(II) THE POLITICAL SUBDIVISION WHERE THE BUSINESS ENTITY IS LOCATED EXPRESSLY GRANTS THE PROPERTY TAX CREDIT TO THE BUSINESS ENTITY.

**SUBTITLE 12. BRAC REVITALIZATION AND INCENTIVE ZONES.**

**5-1201.**

**AMENDMENT NO. 4**

On pages 5 and 6, strike in their entirety the lines beginning with line 24 on page 5 through line 5 on page 6, inclusive, and substitute:

**“(C) “BRAC REVITALIZATION AND INCENTIVE ZONE” MEANS AN AREA THAT:**

**(1) MEETS THE REQUIREMENTS OF § 5-1203 OF THIS SUBTITLE;**

**AND**

**(2) IS DESIGNATED AS A BRAC REVITALIZATION AND INCENTIVE ZONE BY THE SECRETARY UNDER § 5-1204 OF THIS SUBTITLE.**

**(D) “ENTERPRISE ZONE” HAS THE MEANING STATED IN § 5-701 OF THIS TITLE.**

On page 6, in lines 6, 8, and 11, strike “(F)”, “(G)”, and “(H)”, respectively, and substitute “(E)”, “(F)”, and “(G)”, respectively; strike in their entirety lines 12 and 13 and substitute:

**“(1) A POLITICAL SUBDIVISION UNDER TITLE 12, SUBTITLE 2 OF THIS ARTICLE; OR”;**

and strike in their entirety lines 16 through 31, inclusive, and substitute:

**“5-1202.**

**(A) THE FOLLOWING POLITICAL SUBDIVISIONS MAY APPLY TO THE SECRETARY TO DESIGNATE A BRAC REVITALIZATION AND INCENTIVE ZONE:**

**(1) A POLITICAL SUBDIVISION FOR AN AREA WITHIN THAT POLITICAL SUBDIVISION;**

**(2) WITH THE PRIOR CONSENT OF THE MUNICIPAL CORPORATION, A COUNTY ON BEHALF OF A MUNICIPAL CORPORATION FOR AN AREA IN THE MUNICIPAL CORPORATION; OR**

**(3) TWO OR MORE POLITICAL SUBDIVISIONS JOINTLY FOR AN AREA ASTRIDE THEIR COMMON BOUNDARIES.”.**

**AMENDMENT NO. 5**

On pages 7 and 8, strike in their entirety the lines beginning with line 1 on page 7 through line 13 on page 8, inclusive, and substitute:

**“(B) THE APPLICATION SHALL:**

**(1) BE IN THE FORM AND MANNER AND CONTAIN THE INFORMATION THAT THE SECRETARY REQUIRES;**

**(2) CONTAIN SUFFICIENT INFORMATION TO ALLOW THE SECRETARY TO DETERMINE IF THE PROPOSED BRAC REVITALIZATION AND INCENTIVE ZONE MEETS THE CRITERIA IN § 5-1203 OF THIS SUBTITLE;**

(Over)

**(3) BE SUBMITTED FOR A POLITICAL SUBDIVISION BY ITS CHIEF ELECTED OFFICER, OR IF NONE, ITS GOVERNING BODY; AND**

**(4) STATE WHETHER THE POLITICAL SUBDIVISION HAS EXAMINED THE FEASIBILITY OF CREATING EDUCATIONAL OR TRAINING OPPORTUNITIES FOR EMPLOYERS AND EMPLOYEES OF BUSINESS ENTITIES LOCATED OR TO BE LOCATED IN THE PROPOSED BRAC REVITALIZATION AND INCENTIVE ZONE.**

**5-1203.**

On page 8, strike in their entirety lines 14 and 15 and substitute:

**“(A) THE SECRETARY MAY ONLY DESIGNATE AN AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE IF THE AREA:”;**

in lines 16, 19, and 22, in each instance, strike “**BE**” and substitute “**IS**”; in line 25, strike “**HAVE**” and substitute “**HAS**”; and strike in their entirety lines 29 through 32, inclusive, and substitute:

**“(B) AN AREA SHALL RECEIVE PRIORITY CONSIDERATION FOR DESIGNATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE UNDER THIS SECTION IF THE AREA IS WITHIN ONE-HALF MILE OF A PRESENT OR PLANNED:**

**(1) MARC STATION ALONG THE PENN, CAMDEN, OR BRUNSWICK LINES;**

**(2) BALTIMORE METRO SUBWAY STATION;**

**(3) BALTIMORE MTA LIGHT RAIL STATION; OR**

**(4) METRORAIL SYSTEM STATION IN THE STATE.**

**(C) AN AREA MAY RECEIVE PRIORITY CONSIDERATION FOR DESIGNATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE UNDER THIS SECTION IF THE AREA IS OF STRATEGIC IMPORTANCE TO THE ECONOMIC DEVELOPMENT INTERESTS OF A COUNTY.”.**

On page 9, in line 1, strike “(C)” and substitute “(D)”; in lines 4, 7, and 9, in each instance, strike “**WHETHER**” and substitute “WHETHER”; in lines 12, 14, 16, 17, 18, 21, 23, and 30, in each instance, strike “**THE**” and substitute “THE”; in line 25, strike “**ANY**” and substitute “ANY”; and in line 27, strike “**A**” and substitute “A”; and strike beginning with “**SPECIAL**” in line 30 down through “**DISTRICT**” in line 31 and substitute “SPECIAL TAXING DISTRICT, A HISTORIC DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES, OR A LOCAL HISTORIC DISTRICT”.

On page 10, in line 1, strike “**SUPPORT**” and substitute “SUPPORT”; in line 2, strike “**OTHER**” and substitute “OTHER”; in lines 4, 6, and 16, in each instance, strike “**A**” and substitute “A”; in line 9, strike “**WHETHER**” and substitute “WHETHER”; and in lines 14 and 19, in each instance, strike “**THE**” and substitute “THE”.

**AMENDMENT NO. 6**

On pages 10 through 13, strike in their entirety the lines beginning with line 21 on page 10 through line 22 on page 13, inclusive, and substitute:

**“5-1204.**

**(A) (1) WITHIN 60 DAYS AFTER A SUBMISSION DATE, THE SECRETARY MAY DESIGNATE ONE OR MORE BRAC REVITALIZATION AND INCENTIVE ZONES**

(Over)

FROM AMONG THE AREAS DESCRIBED IN THE APPLICATIONS TIMELY SUBMITTED.

(2) THE DESIGNATION OF AN AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE IS EFFECTIVE FOR 10 YEARS.

(3) THE SECRETARY MAY NOT DESIGNATE MORE THAN SIX BRAC REVITALIZATION AND INCENTIVE ZONES IN A CALENDAR YEAR.

(4) A COUNTY MAY NOT RECEIVE MORE THAN TWO BRAC REVITALIZATION AND INCENTIVE ZONES.

(5) THE PRECISE LOCATION AND BOUNDARIES OF A BRAC REVITALIZATION AND INCENTIVE ZONE MAY BE DETERMINED ONLY ON APPLICATION TO AND APPROVAL BY THE SECRETARY.

(B) BEFORE DESIGNATING A BRAC REVITALIZATION AND INCENTIVE ZONE, THE SECRETARY SHALL CONSULT WITH THE FOLLOWING CABINET SECRETARIES OR THEIR RESPECTIVE DESIGNEES:

(1) THE SECRETARY OF TRANSPORTATION;

(2) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT;

(3) THE SECRETARY OF THE ENVIRONMENT; AND

(4) THE SECRETARY OF PLANNING.

(C) THE DESIGNATION OF THE SECRETARY IS FINAL.

(D) AT ANY TIME, A POLITICAL SUBDIVISION MAY REAPPLY TO THE SECRETARY TO DESIGNATE AS A BRAC REVITALIZATION AND INCENTIVE ZONE AN AREA THAT IS NOT DESIGNATED.

(E) (1) THIS SUBSECTION APPLIES ONLY TO A POLITICAL SUBDIVISION THAT IS AUTHORIZED UNDER § 7-211.3 OF THE TAX – PROPERTY ARTICLE TO ENTER INTO A PAYMENT IN LIEU OF TAX AGREEMENT WITH A PRIVATE DEVELOPER FOR FEDERAL ENCLAVE PROPERTY.

(2) THE SECRETARY MAY NOT DESIGNATE A BRAC REVITALIZATION AND INCENTIVE ZONE IN A COUNTY UNTIL, IN THE JUDGMENT OF THE SECRETARY, THE POLITICAL SUBDIVISION HAS ENTERED INTO GOOD FAITH NEGOTIATIONS FOR A PAYMENT IN LIEU OF TAX AGREEMENT WITH ALL PRIVATE DEVELOPERS OF FEDERAL ENCLAVE PROPERTY.

5-1205.

(A) (1) A POLITICAL SUBDIVISION MAY APPLY TO THE SECRETARY TO EXPAND AN EXISTING BRAC REVITALIZATION AND INCENTIVE ZONE IN THE SAME MANNER AS THE POLITICAL SUBDIVISION WOULD APPLY TO DESIGNATE A NEW BRAC REVITALIZATION AND INCENTIVE ZONE.

(2) THE SECRETARY MAY GRANT AN EXPANSION OF A BRAC REVITALIZATION AND INCENTIVE ZONE INTO AN AREA THAT MEETS THE REQUIREMENTS OF § 5-1203 OF THIS SUBTITLE.

(3) FOR PURPOSES OF § 5-1204(A) OF THIS SUBTITLE, AN EXPANSION OF A BRAC REVITALIZATION AND INCENTIVE ZONE THAT DOES NOT EXCEED 50% OF THE EXISTING GEOGRAPHIC AREA OF THE BRAC

(Over)

**REVITALIZATION AND INCENTIVE ZONE DOES NOT COUNT TOWARDS THE LIMIT ON THE NUMBER OF BRAC REVITALIZATION AND INCENTIVE ZONES THAT:**

**(I) THE SECRETARY MAY DESIGNATE IN A CALENDAR YEAR;**

**OR**

**(II) A COUNTY MAY RECEIVE.**

**(B) (1) THE SECRETARY MAY GRANT AN EXTRAORDINARY EXPANSION OF A BRAC REVITALIZATION AND INCENTIVE ZONE IN THE STATE EACH CALENDAR YEAR FOR AN AREA THAT:**

**(I) MEETS THE REQUIREMENTS OF § 5-1203 OF THIS SUBTITLE; AND**

**(II) IN THE DETERMINATION OF THE SECRETARY, IS OF STRATEGIC IMPORTANCE TO THE ECONOMIC DEVELOPMENT INTERESTS OF THE COUNTY IN WHICH THE BRAC REVITALIZATION AND INCENTIVE ZONE IS LOCATED.**

**(2) FOR PURPOSES OF § 5-1204(A) OF THIS SUBTITLE, AN EXTRAORDINARY EXPANSION OF A BRAC REVITALIZATION AND INCENTIVE ZONE DOES NOT COUNT TOWARDS THE LIMIT ON THE NUMBER OF BRAC REVITALIZATION AND INCENTIVE ZONES THAT:**

**(I) THE SECRETARY MAY DESIGNATE IN A CALENDAR YEAR;**

**OR**

**(II) A COUNTY MAY RECEIVE.**

(3) THE SECRETARY MAY NOT GRANT MORE THAN TWO EXTRAORDINARY EXPANSIONS IN THE STATE DURING A SINGLE CALENDAR YEAR.

**5-1206.**

(A) BENEFITS ARE AVAILABLE TO POLITICAL SUBDIVISIONS WITH BRAC REVITALIZATION AND INCENTIVE ZONES AS PROVIDED IN THIS SECTION.

(B) (1) A POLITICAL SUBDIVISION THAT RECEIVES DESIGNATION OF AN AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE MAY RECEIVE AMOUNTS AS PROVIDED IN § 2-222 OF THE TAX – PROPERTY ARTICLE.

(2) AMOUNTS RECEIVED BY A POLITICAL SUBDIVISION AS PROVIDED IN § 2-222 OF THE TAX – PROPERTY ARTICLE:

(I) SHALL BE USED TO PAY FOR INFRASTRUCTURE IMPROVEMENTS IN THE BRAC REVITALIZATION AND INCENTIVE ZONE; AND

(II) MAY BE USED FOR THE REPAYMENT OF BONDS, INCLUDING TAX INCREMENT FINANCING BONDS, ISSUED BY THE POLITICAL SUBDIVISION FOR INFRASTRUCTURE IMPROVEMENTS IN THE BRAC REVITALIZATION AND INCENTIVE ZONE.

(C) POLITICAL SUBDIVISIONS AND BUSINESS ENTITIES MAY RECEIVE PRIORITY CONSIDERATION FOR FINANCIAL ASSISTANCE FOR PROJECTS OR OPERATIONS IN A BRAC REVITALIZATION AND INCENTIVE ZONE FROM:

(1) PROGRAMS IN:

(Over)

(I) THE DEPARTMENT;

(II) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; OR

(III) THE DEPARTMENT OF PLANNING; OR

(2) ANY OTHER APPROPRIATE STATE PROGRAMS.

(D) THE BENEFITS SET FORTH IN THIS SECTION ARE AVAILABLE FOR 10 YEARS AFTER THE DATE THAT AN AREA IS DESIGNATED AS A BRAC REVITALIZATION AND INCENTIVE ZONE.

(E) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE AND TO SPECIFY CRITERIA AND PROCEDURES FOR THE APPLICATION, APPROVAL AND MONITORING THE ELIGIBILITY FOR THE BENEFITS UNDER THIS SUBTITLE.

5-1207.

(A) ON OR BEFORE OCTOBER 15 OF EACH YEAR, A POLITICAL SUBDIVISION WITH A BRAC REVITALIZATION AND INCENTIVE ZONE DESIGNATION SHALL SUBMIT A REPORT TO THE DEPARTMENT THAT ASSESSES THE EFFECTIVENESS OF THE BENEFITS PROVIDED TO THE BRAC REVITALIZATION AND INCENTIVE ZONE IN ATTRACTING AND RETAINING BUSINESSES WITHIN THE BRAC REVITALIZATION AND INCENTIVE ZONE.

(B) ON OR BEFORE DECEMBER 15 OF EACH YEAR, THE DEPARTMENT SHALL:

**(1) ASSESS THE EFFECTIVENESS OF THE BENEFITS PROVIDED TO THE BRAC REVITALIZATION AND INCENTIVE ZONES IN ATTRACTING AND RETAINING BUSINESSES WITHIN BRAC REVITALIZATION AND INCENTIVE ZONES; AND**

**(2) SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT OUTLINING THE FINDINGS OF THE DEPARTMENT AND ANY OTHER INFORMATION OF VALUE IN DETERMINING THE EFFECTIVENESS OF THE BENEFITS UNDER THIS SUBTITLE.**

12-206.

(a) Bonds shall be payable from the special fund established under § 12-208 of this subtitle.

(b) The governing body of the political subdivision or the issuer may:

(1) pledge its full faith and credit or other assets and revenues to pay the bonds; and

(2) establish a sinking fund or a debt service reserve fund for the bonds.

**(C) THE ASSETS AND REVENUES PLEDGED UNDER SUBSECTION (B)(1) OF THIS SECTION MAY INCLUDE ANY AMOUNT THAT THE POLITICAL SUBDIVISION MAY RECEIVE FROM THE STATE UNDER § 2-222 OF THE TAX – PROPERTY ARTICLE.”.**

AMENDMENT NO. 7

(Over)

On page 13, in line 30, strike “**ARTICLE 83A, § 5-2002 OF THE CODE**” and substitute “**TITLE 5, SUBTITLE 12 OF THE ECONOMIC DEVELOPMENT ARTICLE**”.

On page 14, in line 5, strike “**ARTICLE 83A, § 5-2002 OF THE CODE**” and substitute “**TITLE 5, SUBTITLE 12 OF THE ECONOMIC DEVELOPMENT ARTICLE**”.

AMENDMENT NO. 8

On pages 14 through 18, strike in their entirety the lines beginning with line 6 on page 14 through line 25 on page 18, inclusive.

On page 18, in line 27, strike “**9-110.**” and substitute “**2-222.**”; in lines 31 and 32, strike beginning with “**A**” in line 31 down through “**GRANTED**” in line 32 and substitute “**PROPERTY FIRST BECOMES QUALIFIED PROPERTY UNDER THIS SECTION**”.

On page 19, strike in their entirety lines 6 through 15, inclusive and substitute:

“(4) **“BRAC REVITALIZATION AND INCENTIVE ZONE” HAS THE MEANING STATED IN § 5-1201 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

(5) **“BRAC REVITALIZATION AND INCENTIVE ZONE TAX RATE” MEANS THE PROPERTY TAX RATE OF THE POLITICAL SUBDIVISION WHERE A BRAC REVITALIZATION AND INCENTIVE ZONE IS LOCATED FOR THE TAXABLE YEAR WHEN THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT FIRST DESIGNATES THE AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE.**”;

in line 16, strike “(5)” and substitute “(6)”; strike beginning with “**IN**” in line 18 down through “**GRANTED**” in line 19; after line 19, insert:

**“(7) “PROPERTY TAX INCREMENT” MEANS THE PROPERTY TAX ATTRIBUTABLE TO THE ELIGIBLE ASSESSMENT OF QUALIFIED PROPERTY.”;**

strike in their entirety lines 20 through 31, inclusive and substitute:

**“(8) “QUALIFIED PROPERTY” MEANS REAL PROPERTY THAT IS:**

**(I) LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS DESIGNATED UNDER TITLE 5, SUBTITLE 12 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND**

**(II) IN ONE OF THE CATEGORIES OF COMMERCIAL OR RESIDENTIAL PROPERTY THAT THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT HAS DETERMINED, IN CONSULTATION WITH THE BASE REALIGNMENT AND CLOSURE SUBCABINET AND AS PROVIDED IN REGULATIONS ADOPTED BY THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, ENHANCE THE ECONOMIC DEVELOPMENT OF THE BRAC REVITALIZATION AND INCENTIVE ZONE.”;**

and in line 32, strike “(7)” and substitute “(9)”.

On page 20, in line 2, strike “ARTICLE 41, TITLE 14, SUBTITLE 2 OF THE CODE” and substitute “**TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT ARTICLE**”.

On pages 20 through 24, strike in their entirety the lines beginning with line 5 on page 20 through line 8 on page 24, inclusive and substitute:

“(B) (1) THE AMOUNTS RECEIVED BY A POLITICAL SUBDIVISION UNDER THIS SECTION MAY BE USED ONLY FOR THE PURPOSES PROVIDED IN § 5-1206 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(2) SUBJECT TO SUBSECTIONS (C) AND (F) OF THIS SECTION, FOR EACH FISCAL YEAR FOR A PERIOD OF 10 CONSECUTIVE FISCAL YEARS BEGINNING IN FISCAL 2010, THE STATE SHALL PROVIDE TO EACH POLITICAL SUBDIVISION IN WHICH A BRAC REVITALIZATION AND INCENTIVE ZONE HAS BEEN ESTABLISHED AN AMOUNT EQUAL TO:

(I) THE STATE PROPERTY TAX INCREMENT ON THE QUALIFIED PROPERTIES IN THE BRAC REVITALIZATION AND INCENTIVE ZONE; AND

(II) ONE-HALF OF THE POLITICAL SUBDIVISION’S PROPERTY TAX INCREMENT ON QUALIFIED PROPERTIES, DETERMINED USING THE BRAC REVITALIZATION AND INCENTIVE ZONE TAX RATE FOR THE POLITICAL SUBDIVISION.

(C) (1) THE TOTAL AMOUNT PAID TO ALL POLITICAL SUBDIVISIONS FOR ANY FISCAL YEAR UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:

(I) THE AMOUNT APPROPRIATED FOR THE PURPOSE OF THIS SECTION FOR THAT FISCAL YEAR IN THE STATE BUDGET AS APPROVED BY THE GENERAL ASSEMBLY; OR

(II) \$10,000,000.

(2) IF THE TOTAL AMOUNT TO BE PAID TO ALL SUBDIVISIONS AS DETERMINED UNDER SUBSECTION (B)(2) OF THIS SECTION WITHOUT REGARD

TO THE LIMITATION UNDER PARAGRAPH (1) OF THIS SUBSECTION EXCEEDS THE LIMIT UNDER PARAGRAPH (1) OF THIS SUBSECTION, EACH POLITICAL SUBDIVISION SHALL RECEIVE AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE AMOUNT DETERMINED FOR THAT POLITICAL SUBDIVISION UNDER SUBSECTION (B)(2) OF THIS SECTION TIMES A FRACTION:

(I) THE NUMERATOR OF WHICH IS THE LIMIT UNDER PARAGRAPH (1) OF THIS SUBSECTION; AND

(II) THE DENOMINATOR OF WHICH IS THE TOTAL AMOUNT TO BE PAID TO ALL SUBDIVISIONS AS DETERMINED UNDER SUBSECTION (B)(2) OF THIS SECTION WITHOUT REGARD TO THE LIMITATION UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(D) (1) AFTER A BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE APPROPRIATE GOVERNING BODY SHALL CERTIFY TO THE DEPARTMENT:

(I) ANY REAL PROPERTY IN THE BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS QUALIFIED PROPERTY FOR THE NEXT TAXABLE YEAR; AND

(II) THE DATE THAT THE REAL PROPERTY BECAME QUALIFIED PROPERTY.

(2) (I) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL CALCULATE THE AMOUNT DETERMINED FOR EACH POLITICAL SUBDIVISION UNDER SUBSECTION (B)(2) OF THIS SECTION FOR THE NEXT FISCAL YEAR.

(Over)

**(II) THE COMPTROLLER SHALL PAY THE AMOUNTS DUE THE POLITICAL SUBDIVISIONS UNDER THIS SECTION QUARTERLY.**

**(E) ANY AMOUNT PROVIDED UNDER THIS SECTION DOES NOT LIMIT OR OTHERWISE AFFECT ANY AUTHORITY OF A POLITICAL SUBDIVISION UNDER ANY OTHER PROVISION OF LAW TO PLEDGE ANY OTHER ASSETS OR REVENUES TOWARDS THE REPAYMENT OF TAX INCREMENT FINANCING BONDS.**

**(F) (1) THIS SUBSECTION APPLIES ONLY TO A POLITICAL SUBDIVISION THAT IS AUTHORIZED UNDER § 7-211.3 OF THIS ARTICLE TO ENTER INTO A PAYMENT IN LIEU OF TAX AGREEMENT WITH A PRIVATE DEVELOPER OF FEDERAL ENCLAVE PROPERTY.**

**(2) THE STATE MAY NOT PROVIDE FUNDS UNDER THIS SECTION TO A POLITICAL SUBDIVISION UNTIL, IN THE JUDGMENT OF THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, THE LOCAL JURISDICTION HAS ENTERED INTO GOOD-FAITH NEGOTIATIONS FOR A PAYMENT IN LIEU OF TAX AGREEMENT WITH ALL PRIVATE DEVELOPERS OF FEDERAL ENCLAVE PROPERTY.**

**(G) THE DEPARTMENT AND THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT JOINTLY SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION AND TO SPECIFY CRITERIA AND PROCEDURES FOR APPLICATION, APPROVAL, AND MONITORING THE ELIGIBILITY FOR THE AMOUNTS UNDER THIS SECTION.”.**

On page 24, strike in their entirety lines 11 through 34, inclusive.

AMENDMENT NO. 9

On page 25, strike in their entirety lines 1 through 13, inclusive; after line 17, insert:

**“(D) LAND OWNED BY THE FEDERAL GOVERNMENT THAT IS THE LOCATION FOR FEDERAL ENCLAVE PROPERTY AS DEFINED IN § 7-211.3 OF THIS SUBTITLE IS NOT SUBJECT TO PROPERTY TAX.”;**

strike in their entirety lines 18 through 26, inclusive; and in lines 30 and 31, in each instance, after “**REAL PROPERTY**” insert “**IMPROVEMENTS**”.

On page 26, in lines 1, 8, and 13, in each instance, strike “**IS**” and substitute “**ARE**”; after line 14, insert:

**“(IV) “FEDERAL ENCLAVE PROPERTY” DOES NOT INCLUDE ANY PROPERTY OWNED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS THAT IS LEASED TO A PERSON THROUGH AN ENHANCED USE LEASE.**

**(3) “LOCAL JURISDICTION” MEANS A COUNTY AND, WHERE APPROPRIATE, A MUNICIPAL CORPORATION IN WHICH FEDERAL ENCLAVE PROPERTY IS LOCATED.**;

in line 15, strike “**(3)**” and substitute “**(4)**”; in lines 19 and 20, strike “, **THE MARYLAND DEPARTMENT OF TRANSPORTATION**”; in line 20, after “**AND**” insert “**ON INITIATION BY**”; in line 21, after “**LOCATED**” insert “, **THE LOCAL JURISDICTION AND THE STATE**”; in line 22, strike the first “**AGREEMENT**”; in the same line, strike the second “**A**”; in lines 22 and 23, strike “**THE FEDERAL GOVERNMENT OR**”; after line 24, insert:

“(2) AN AGREEMENT AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS NOT EFFECTIVE UNTIL IT IS APPROVED BY THE FEDERAL GOVERNMENT.”

(3) (I) A LOCAL JURISDICTION SHALL INITIATE ANY DISCUSSIONS TO NEGOTIATE A PAYMENT IN LIEU OF TAX AGREEMENT WITH A PRIVATE DEVELOPER OF FEDERAL ENCLAVE PROPERTY NO LATER THAN 30 DAYS AFTER RECEIVING WRITTEN NOTICE BY THE PRIVATE DEVELOPER OR THE FEDERAL GOVERNMENT THAT A DEVELOPMENT HAS BEEN PROPOSED FOR THE FEDERAL ENCLAVE PROPERTY.

(II) WHEN ANY DISCUSSIONS TO NEGOTIATE A PAYMENT IN LIEU OF TAX AGREEMENT HAVE COMMENCED, THE MARYLAND DEPARTMENT OF TRANSPORTATION SHALL NOTIFY THE LEGISLATIVE POLICY COMMITTEE WITHIN 30 DAYS.”;

in lines 25 and 30, strike “(2)” and “(3)”, respectively, and substitute “(4)” and “(5)”, respectively; in line 26, strike “THE FEDERAL GOVERNMENT OR”; in line 27, strike “NEGOTIATED”; in the same line, strike the first “AGREEMENT”; in the same line, strike “A”; in line 28, strike “MARYLAND DEPARTMENT OF TRANSPORTATION” and substitute “STATE”; in line 30, after “SUBSECTION” insert “AND THE FEDERAL GOVERNMENT”; and in line 31, after “IMPACT” insert “AND BENEFITS”.

AMENDMENT NO. 10

On page 27, in line 11, strike the second “AND”; after line 11, insert:

“(IX) THE AVAILABILITY AND USE OF PUBLIC SERVICES;

(X) IN-KIND CONTRIBUTIONS RELATED TO THE DEVELOPMENT, INCLUDING THE SERVICES, FACILITIES, PERSONAL AND REAL

**PROPERTY, TRAFFIC MITIGATION, RIGHTS-OF-WAY, AND OTHER ASSETS AND BENEFITS OF THE FEDERAL GOVERNMENT OR THE PRIVATE DEVELOPER MADE AVAILABLE TO AND USED BY THE PUBLIC; AND**”;

in line 12, strike “(IX)” and substitute “(XI)”; in line 16, after “TRANSPORTATION,” insert “**ON BEHALF OF THE STATE,**”; in line 23, strike “**FEDERAL GOVERNMENT OR THE**”; in lines 14, 23, and 28, strike “(4)”, “(5)”, and “(6)”, respectively, and substitute “(6)”, “(7)”, and “(9)”, respectively; after line 27, insert:

**“(8) THE PAYMENT REQUIRED BY AN AGREEMENT UNDER THIS SUBSECTION MAY NOT EXCEED THE PROPERTY TAX THAT WOULD OTHERWISE BE DUE TO THE STATE AND LOCAL JURISDICTION IF THE PAYMENT IN LIEU OF TAX AGREEMENT WERE NOT IN EFFECT.”**;

and in line 28, strike “(5)” and substitute “(7)”.

**AMENDMENT NO. 11**

On page 28, in lines 7 and 10, strike “(7)” and “(8)”, respectively, and substitute “(10)” and “(11)”, respectively; in line 10, strike “**DEPARTMENT AND THE**”; in line 11, strike “**RULES AND**”; and in line 12, after “**SECTION**” insert “**, IN CONSULTATION WITH:**

**(I) THE DEPARTMENT;**

**(II) THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT;**

**(III) THE DEPARTMENT OF THE ENVIRONMENT;**

(IV) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; AND

(V) THE DEPARTMENT OF PLANNING”.

AMENDMENT NO. 12

On page 28, strike in their entirety lines 31 through 33, inclusive; and after line 33, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The Department of Business and Economic Development, in consultation with the Department of Assessments and Taxation, shall prepare a report that outlines:

(1) the enhanced use lease projects, or other private development projects, on federal enclave property in the State that are proposed or in development;

(2) the extent to which the enhanced use lease projects, or other private development projects, on federal enclave property may be subject to State and local property taxation;

(3) the status of any payment in lieu of tax agreement negotiations between local jurisdictions, the State, and private developers for projects on federal enclave property; and

(4) recommendations, if any, for incentives that would encourage payment in lieu of tax agreements between local jurisdictions, the State, and private developers for projects on federal enclave property.

(b) The Department shall submit the report required under subsection (a) of this section to the Governor and, subject to § 2-1246 of the State Government Article,

to the Senate Budget and Taxation Committee and the House Committee on Ways and Means on or before December 15, 2008.”.

AMENDMENT NO. 13

On pages 28 and 29, strike beginning with “§§ 7-211(a)” in line 34 on page 28 down through “Act,” in line 1 on page 29 and substitute “Section 2 of this Act”.

On page 29, after line 2, insert:

“SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect October 1, 2008.”;

in line 3, strike “5.” and substitute “6.”; and in the same line, after “That” insert “, except as provided in Section 5 of this Act.”.