

# SENATE BILL 206

C8

(8lr0225)

## ***ENROLLED BILL***

*—Budget and Taxation / Ways and Means and Economic Matters—*

Introduced by **The President (By Request – Administration) and Senators Dyson, DeGrange, Astle, Conway, Currie, Della, Forehand, Lenett, Madaleno, Peters, Rosapepe, and Simonaire Simonaire, and Klausmeier**

Read and Examined by Proofreaders:

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Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

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President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **BRAC Community Enhancement Act**

3 FOR the purpose of authorizing the creation of BRAC Revitalization and Incentive  
4 Zones in the State; establishing eligibility criteria for the Zones and factors to be  
5 considered by the Secretary of Business and Economic Development in  
6 approving the Zones; establishing procedures for applying for establishment of  
7 the Zones and the benefits available in the Zones; limiting the number of Zones  
8 that can be created in any calendar year and in any one county; ~~providing for~~  
9 ~~certain tax credits to be available to certain eligible businesses in the Zones;~~  
10 ~~requiring an income tax addition modification for the amount of a certain credit~~  
11 ~~claimed;~~ ~~providing that certain benefits provided in certain designated~~  
12 ~~enterprise zones do not apply to certain businesses in certain locations except~~

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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.

*Italics* indicate opposite chamber / conference committee amendments.



1 under certain circumstances; providing for certain State payments under  
2 certain circumstances to certain political subdivisions for financing  
3 infrastructure improvements in BRAC Revitalization and Incentive Zones;  
4 requiring certain political subdivisions to submit certain reports to the  
5 Department of Business and Economic Development; requiring the Department  
6 to submit certain reports to the Governor and General Assembly; providing for  
7 certain benefits, including financing for tax increment financing to be available  
8 to the political subdivisions applying for and administering the Zones; providing for  
9 eligibility of a Zone as a community legacy area or a designated  
10 neighborhood under programs administered by the Department of Housing and  
11 Community Development; authorizing the Mayor and the City Council of  
12 Baltimore City to pledge certain funds for certain bonds; authorizing the  
13 ~~Maryland Department of Transportation State~~ and certain local jurisdictions to  
14 enter into a certain payment ~~agreement~~ in lieu of a tax agreement with the  
15 federal government or certain private developers for certain federal enclave  
16 property; exempting from State and local real property tax certain federal  
17 enclave property under certain circumstances; requiring certain factors to be  
18 considered by the parties to certain agreements; requiring a certain agreement  
19 to be approved and signed by certain parties; requiring certain parties to make  
20 a certain payment to a certain tax collector in a certain amount at a certain  
21 time; limiting the payment that may be required under certain payment in lieu  
22 of tax agreements; specifying the distribution of certain payments; authorizing the  
23 ~~State Department of Assessments and Taxation and the Maryland~~  
24 Department of Transportation to adopt certain rules and regulations;

25 ~~disallowing providing that certain property tax exemptions for do not apply to~~  
26 ~~certain federal enclave property; repealing certain property tax exemptions for~~  
27 ~~certain property located within the defined boundaries of a military installation;~~  
28 defining certain terms; providing for certain exceptions; requiring certain  
29 reports; providing for the application ~~of~~ and effective date of certain provisions  
30 of this Act; and generally relating to BRAC Revitalization and Incentive Zones  
31 and ~~tax benefits for the property taxation of~~ federal enclave property in the  
32 State.

33 BY repealing and reenacting, with amendments,  
34 The Charter of Baltimore City  
35 Article II – General Powers  
36 Section (62)(a)  
37 (2007 Replacement Volume, as amended)

38 ~~BY repealing and reenacting, with amendments,~~  
39 ~~Article 41 Governor Executive and Administrative Departments~~  
40 ~~Section 14-204~~  
41 ~~Annotated Code of Maryland~~  
42 ~~(2003 Replacement Volume and 2007 Supplement)~~

43 ~~BY adding to~~  
44 ~~Article 83A Department of Business and Economic Development~~

1 ~~Section 5-404(d); and 5-2001 through 5-2005 to be under the new subtitle~~  
2 ~~“Subtitle 20. BRAC Revitalization and Incentive Zones Tax Benefits”~~  
3 ~~Annotated Code of Maryland~~  
4 ~~(2003 Replacement Volume and 2007 Supplement)~~

5 BY repealing and reenacting, with amendments,  
6 Article – Economic Development  
7 Section 5-102, 5-105, and 12-206  
8 Annotated Code of Maryland  
9 (As enacted by Ch. (H.B. 1050) of the Acts of the General Assembly of 2008)

10 BY repealing and reenacting, without amendments,  
11 Article – Economic Development  
12 Section 5-707(d)  
13 Annotated Code of Maryland  
14 (As enacted by Ch. (H.B. 1050) of the Acts of the General Assembly of 2008)

15 BY adding to  
16 Article – Economic Development  
17 Section 5-707(e); and 5-1201 through 5-1207 to be under the new subtitle  
18 “Subtitle 12. BRAC Revitalization and Incentive Zones”  
19 Annotated Code of Maryland  
20 (As enacted by Ch. (H.B. 1050) of the Acts of the General Assembly of 2008)

21 BY repealing and reenacting, with amendments,  
22 Article – Housing and Community Development  
23 Section 6-201(g) and 6-301(b)  
24 Annotated Code of Maryland  
25 (2006 Volume and 2007 Supplement)

26 BY repealing and reenacting, with amendments,  
27 Article – Tax – General  
28 Section 10-205(b) and 10-306(b)(1)  
29 Annotated Code of Maryland  
30 (2004 Replacement Volume and 2007 Supplement)

31 BY adding to  
32 Article – Tax – General  
33 Section 10-726  
34 Annotated Code of Maryland  
35 (2004 Replacement Volume and 2007 Supplement)

36 BY adding to  
37 Article – Tax – Property  
38 Section 7-211.3 and 9-110  
39 Annotated Code of Maryland  
40 (2007 Replacement Volume)

1 ~~BY repealing and reenacting, with amendments,~~  
2 ~~Article 83A—Department of Business and Economic Development~~  
3 ~~Section 5-404(d)~~  
4 ~~Annotated Code of Maryland~~  
5 ~~(2003 Replacement Volume and 2007 Supplement)~~

6 BY repealing and reenacting, with amendments,  
7 Article – Tax – Property  
8 Section ~~7-211(a) and (e)~~ 7-211(c), ~~7-211.2~~, 7-501(b), and 9-103(a)(5)  
9 Annotated Code of Maryland  
10 (2007 Replacement Volume)

11 BY adding to  
12 Article – Tax – Property  
13 Section 2-222 and 7-211.3  
14 Annotated Code of Maryland  
15 (2007 Replacement Volume)

16 Preamble

17 WHEREAS, The federal Base Realignment and Closure (BRAC) Commission  
18 recommendations are estimated to result in between 40,000 to 60,000 new jobs in the  
19 State; and

20 WHEREAS, It is estimated that BRAC will result in approximately 25,877  
21 households locating ~~within Anne Arundel County, Cecil County, Baltimore County,~~  
~~Frederick County, Harford County, Howard County, Montgomery County, and Prince~~  
~~George's County and Baltimore City throughout the State and will have a tremendous~~  
22 *impact in both rural and urban areas*; and

23 WHEREAS, The State desires that BRAC-related growth occurs in a manner  
24 that will enhance the State's ability to preserve our natural resources, enhance the  
25 vitality of older neighborhoods, increase the State's return on infrastructure  
26 investment by encouraging new development within designated growth areas; and

27 WHEREAS, The State desires to direct the growth related to BRAC in areas  
28 that are served by public infrastructure and MARC train service among other criteria;  
29 and

30 WHEREAS, BRAC Revitalization and Incentive Zones should be designated by  
31 local governments in areas determined by the State to meet certain Smart Growth  
32 criteria; and

33 WHEREAS, BRAC Revitalization and Incentive Zones should provide financial  
34 incentives to local governments to provide infrastructure necessary to encourage  
35 BRAC households to locate in the BRAC Revitalization and Incentive Zones; and

1        ~~WHEREAS, BRAC Revitalization and Incentive Zones should provide financial~~  
2 ~~incentives to businesses to locate in these areas to provide attractive services to BRAC~~  
3 ~~households; and~~

4 WHEREAS, The designation of BRAC Revitalization and Incentive Zones will  
5 assist the State in aligning other State resources and programs such as the  
6 Department of Housing and Community Development's Community Legacy or  
7 Neighborhood BusinessWorks program; now, therefore,

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

## **The Charter of Baltimore City**

## Article II – General Powers

12        The Mayor and City Council of Baltimore shall have full power and authority to  
13      exercise all of the powers heretofore or hereafter granted to it by the Constitution of  
14      Maryland or by any Public General or Public Local Laws of the State of Maryland; and  
15      in particular, without limitation upon the foregoing, shall have power by ordinance, or  
16      such other method as may be provided for in its Charter, subject to the provisions of  
17      said Constitution and Public General Laws:

18 (62)

1 receipts are deposited after such revenues and receipts are appropriated by the Mayor  
2 and City Council of Baltimore to the payment of such principal and interest; [and]

3                   **3. AMOUNTS ~~REMITTED PROVIDED~~ TO THE MAYOR**  
4 **AND CITY COUNCIL OF BALTIMORE BY THE STATE UNDER § 9-110(C) OR (D) §**  
5 **2-222 OF THE TAX - PROPERTY ARTICLE OF THE ANNOTATED CODE OF**  
6 **MARYLAND; AND**

7                   4. any other assets and revenues of the Mayor and City  
8 Council of Baltimore.

9                   (ii) The revenues and receipts may not be irrevocably pledged to  
10 the payment of such principal and interest and the obligation to pay such principal  
11 and interest from such revenues and receipts shall be subject to annual appropriation  
12 by the Mayor and City Council of Baltimore.

13                   (iii) The Mayor and City Council of Baltimore may not pledge its  
14 full faith and credit or unlimited taxing power to the payment of such bonds.

15                   **Article 41 Governor Executive and Administrative Departments**

16                   14-204.

17                   **(A) Bonds shall be payable from the special fund described in § 14-206(3)(ii)**  
18 **of this subtitle [and the].**

19                   **(B) THE governing body of the issuer may also pledge its full faith and credit**  
20 **or establish sinking funds, establish debt service reserve funds, or pledge other assets**  
21 **and revenues, INCLUDING AMOUNTS ~~REMITTED TO THE GOVERNING BODY BY~~**  
22 **THE STATE UNDER § 9-110(C) OR (D) OF THE TAX - PROPERTY ARTICLE,**  
23 **towards the payments of the principal and interest.**

24                   **Article 83A Department of Business and Economic Development**

25                   **SUBTITLE 20. BRAC REVITALIZATION AND INCENTIVE ZONES TAX BENEFITS.**

26                   5-2001.

27                   **Article - Economic Development**

28                   5-102.

29                   **The Department shall administer the State's economic development and**  
30 **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;

of this title; the Maryland Economic Adjustment Fund, under Subtitle 2

[(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;

15 [ (8) ] (9) jointly with the Department of Housing and Community  
16 Development, the Community Development Block Grant for Economic Development;  
17 and

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

20 5-105.

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

27 5-707.

28                   (d) (1) Except as provided in § 10-702 of the Tax – General Article and §  
29 9-103 of the Tax – Property Article, the incentives and initiatives set forth in this

1 section are available for 10 years after the date that an area is designated an  
2 enterprise zone.

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

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

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

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

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

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

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

32 **5-1201.**

33 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
34 **INDICATED.**

1       (B) "AREA" MEANS A GEOGRAPHIC AREA WITHIN ONE OR MORE  
2 POLITICAL SUBDIVISIONS WITHIN THE STATE DESCRIBED BY A CLOSED  
3 PERIMETER BOUNDARY.

4       (C) ~~"BRAC REVITALIZATION AND INCENTIVE ZONE"~~ MEANS AN AREA  
5 MEETING THE REQUIREMENTS OF § 5-2003 OF THIS SUBTITLE AND SO  
6 DESIGNATED BY THE SECRETARY IN ACCORDANCE WITH § 5-2002 OF THIS  
7 SUBTITLE.

8       (D) ~~(1)~~ "BUSINESS ENTITY" MEANS A PERSON OPERATING OR  
9 CONDUCTING A TRADE OR BUSINESS.

10       ~~(2) EXCEPT AS PROVIDED IN § 9-110 OF THE TAX PROPERTY  
11 ARTICLE, "BUSINESS ENTITY" DOES NOT INCLUDE A PERSON OWNING,  
12 OPERATING, DEVELOPING, CONSTRUCTING, OR REHABILITATING PROPERTY  
13 INTENDED FOR USE PRIMARILY AS SINGLE OR MULTIFAMILY RESIDENTIAL  
14 PROPERTY LOCATED WITHIN THE BRAC REVITALIZATION AND INCENTIVE  
15 ZONE.~~

16       (E) ~~"COUNTY"~~ MEANS A COUNTY OF THE STATE OR BALTIMORE CITY.

17       (C) "BRAC REVITALIZATION AND INCENTIVE ZONE" MEANS AN AREA  
18 THAT:

19       (1) MEETS THE REQUIREMENTS OF § 5-1203 OF THIS SUBTITLE;  
20 AND

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

23       (D) "ENTERPRISE ZONE" HAS THE MEANING STATED IN § 5-701 OF THIS  
24 TITLE.

25       ~~(E)~~ (E) "POLITICAL SUBDIVISION" MEANS ANY COUNTY OR  
26 MUNICIPAL CORPORATION.

27       ~~(F)~~ (F) "SUBMISSION DATE" MEANS THE DATE THE SECRETARY  
28 RECEIVES AN APPLICATION FROM A POLITICAL SUBDIVISION FOR DESIGNATION  
29 OF A BRAC REVITALIZATION AND INCENTIVE ZONE.

30       ~~(H)~~ (G) "TAX INCREMENT FINANCING BONDS" MEANS BONDS ISSUED  
31 BY:

1                   (1) ~~A COUNTY OR MUNICIPAL CORPORATION UNDER ARTICLE 41,~~  
2 ~~TITLE 14, SUBTITLE 2 OF THE CODE; OR~~

3                   (1) A POLITICAL SUBDIVISION UNDER TITLE 12, SUBTITLE 2 OF  
4 THIS ARTICLE; OR

5                   (2) BALTIMORE CITY UNDER ARTICLE II, § 62 OF THE CHARTER  
6 OF BALTIMORE CITY.

7 **5-2002.**

8                   (A) (1) ~~ANY POLITICAL SUBDIVISION MAY APPLY TO THE SECRETARY~~  
9 ~~FOR THE DESIGNATION OF AN AREA WITHIN THE POLITICAL SUBDIVISION AS A~~  
10 ~~BRAC REVITALIZATION AND INCENTIVE ZONE.~~

11                   (2) ~~IF A COUNTY SEEKS TO DESIGNATE AN AREA WITHIN A~~  
12 ~~MUNICIPAL CORPORATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE,~~  
13 ~~THEN THE GOVERNING BODY OF THE MUNICIPAL CORPORATION SHALL FIRST~~  
14 ~~CONSENT.~~

15                   (B) ~~ANY COUNTY MAY APPLY TO THE SECRETARY ON BEHALF OF A~~  
16 ~~MUNICIPAL CORPORATION, WITH THE CONSENT OF THE MUNICIPAL~~  
17 ~~CORPORATION, FOR DESIGNATION OF ANY AREA WITHIN THE MUNICIPAL~~  
18 ~~CORPORATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE.~~

19                   (C) ~~TWO OR MORE POLITICAL SUBDIVISIONS MAY APPLY JOINTLY TO~~  
20 ~~THE SECRETARY FOR DESIGNATION OF AN AREA AS A BRAC REVITALIZATION~~  
21 ~~AND INCENTIVE ZONE WHICH MAY BE LOCATED ASTRIDE THEIR COMMON~~  
22 ~~BOUNDARIES.~~

23 **5-1202.**

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

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

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

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

1                   **(D) THE APPLICATION SHALL BE IN THE FORM AND MANNER AND**  
2 **CONTAIN THE INFORMATION THE SECRETARY MAY REQUIRE, PROVIDED THAT**  
3 **THE APPLICATION SHALL:**

10 (3) STATE WHETHER THE POLITICAL SUBDIVISION HAS  
11 EXAMINED THE FEASIBILITY OF CREATING EDUCATIONAL OR TRAINING  
12 OPPORTUNITIES FOR EMPLOYERS AND EMPLOYEES OF BUSINESS ENTITIES  
13 LOCATED OR TO BE LOCATED IN THE PROPOSED BRAC REVITALIZATION AND  
14 INCENTIVE ZONE;

15 (4) SET FORTH THE STANDARDS WITH WHICH A BUSINESS ENTITY  
16 MUST COMPLY AS A PRECONDITION FOR THE BUSINESS ENTITY TO RECEIVE THE  
17 INCENTIVES AND INITIATIVES SET FORTH IN THIS SUBTITLE; AND

18 (5) SET FORTH ITS PREFERENCE OF THE TAX BENEFITS THAT  
19 WOULD APPLY IN THE BRAC REVITALIZATION AND INCENTIVE ZONE, AS  
20 DESCRIBED IN § 5-2004(B) OF THIS SUBTITLE.

26 (2) THE PRECISE PERIMETERS OF THE BRAC REVITALIZATION  
27 AND INCENTIVE ZONE AND THE TAX BENEFITS AVAILABLE TO THE POLITICAL  
28 SUBDIVISIONS AND TO THE BUSINESS ENTITIES LOCATED IN A PROPOSED ZONE  
29 WILL BE DETERMINED ONLY ON APPLICATION TO AND APPROVAL BY THE  
30 SECRETARY.

31 (3) (ii) THE SECRETARY MAY DESIGNATE UP TO SIX BRAC  
32 REVITALIZATION AND INCENTIVE ZONES IN ANY CALENDAR YEAR AS PROVIDED  
33 IN § 5–2003 OF THIS SUBTITLE.

**(II) ~~A COUNTY MAY NOT RECEIVE MORE THAN TWO AREAS DESIGNATED AS A BRAC REVITALIZATION AND INCENTIVE ZONE.~~**

~~(F) (1) THE SECRETARY'S DESIGNATION OF A BRAC REVITALIZATION AND INCENTIVE ZONE SHALL BE FINAL.~~

**(2) WHEN AN AREA HAS NOT BEEN DESIGNATED A BRAC REVITALIZATION AND INCENTIVE ZONE, A POLITICAL SUBDIVISION MAY REAPPLY AT ANY TIME TO THE SECRETARY FOR DESIGNATION OF THAT AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE.**

(G) BEFORE DESIGNATING A BRAC REVITALIZATION AND INCENTIVE ZONE, OR DETERMINING THE INCENTIVES AVAILABLE TO A POLITICAL SUBDIVISION OR THE BUSINESS ENTITIES LOCATED WITHIN A BRAC REVITALIZATION AND INCENTIVE ZONE, THE SECRETARY SHALL CONSULT WITH AND ASK THE ADVICE OF THE BRAC SUBCABINET, ESTABLISHED UNDER § 9-802 OF THE STATE GOVERNMENT ARTICLE.

5-2003.

**(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;**

**(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.

**(A) IN ORDER TO QUALIFY FOR A DESIGNATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE, AN AREA MUST:**

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

15 (B) AN AREA THAT IS WITHIN ONE HALF MILE OF A MARC STATION  
16 ALONG THE PENN, CAMDEN, AND BRUNSWICK LINES SHALL RECEIVE PRIORITY  
17 CONSIDERATION FOR DESIGNATION AS A BRAC REVITALIZATION AND  
18 INCENTIVE ZONE UNDER THIS SECTION.

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

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

24 (2) BALTIMORE METRO SUBWAY STATION;

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

26 (4) METROBAIL SYSTEM STATION IN THE STATE.

26 (4) METRORAIL SYSTEM STATION IN THE STATE.

26 (4) METRORAIL SYSTEM STATION IN THE STATE.

26 (4) METRORAIL SYSTEM STATION IN THE STATE.

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

1           **(C) (D)     THE SECRETARY SHALL CONSIDER THE FOLLOWING FACTORS**  
2    IN DETERMINING WHETHER TO DESIGNATE AN AREA AS A BRAC  
3    REVITALIZATION AND INCENTIVE ZONE:

4           **(1)    ~~WHETHER WHETHER~~ THE AREA'S DESIGNATION AS A BRAC**  
5    REVITALIZATION AND INCENTIVE ZONE IS CONSISTENT WITH THE POLITICAL  
6    SUBDIVISION'S COMPREHENSIVE PLAN;

7           **(2)    ~~WHETHER WHETHER~~ THE AREA CONTAINS BROWNFIELDS**  
8    SITES THAT ARE CAPABLE OF REDEVELOPMENT;

9           **(3)    ~~WHETHER WHETHER~~ THE POLITICAL SUBDIVISION HAS**  
10   TARGETED THE AREA FOR REVITALIZATION AS PROVIDED FOR IN THE  
11   POLITICAL SUBDIVISION'S COMPREHENSIVE PLAN OR IN ANOTHER PLAN OR  
12   ORDINANCE;

13           **(4)    ~~THE THE~~ RELATIONSHIP OF THE AREA TO A BRAC**  
14   INSTALLATION OR HOW THE AREA IS IMPACTED BY BRAC;

15           **(5)    ~~THE THE~~ AVAILABILITY, COST, AND CONDITION OF BUSINESS**  
16   FACILITIES;

17           **(6)    ~~THE THE~~ NUMBER AND AGE OF ABANDONED STRUCTURES;**

18           **(7)    ~~THE THE~~ NUMBER AND AGE OF SUBSTANDARD STRUCTURES;**

19           **(8)    ~~THE THE~~ INCOME OF RESIDENTS RELATIVE TO THE STATE OR**  
20   REGIONAL MEDIAN INCOMES, INCLUDING THE NUMBER OF PERSONS WHO  
21   RECEIVE PUBLIC ASSISTANCE OR ARE UNEMPLOYED;

22           **(9)    ~~THE THE~~ EXTENT OF UNEMPLOYMENT AND THE ABILITY TO**  
23   UPGRADE THE SOCIAL AND ECONOMIC CONDITIONS OF THE AREA;

24           **(10)   ~~THE THE~~ NEED FOR FINANCING FOR SMALL BUSINESSES TO**  
25   UPGRADE THE SOCIAL AND ECONOMIC CONDITIONS OF THE AREA;

26           **(11)   ~~ANY ANY~~ PLANS AND FINANCIAL COMMITMENTS OF LOCAL**  
27   JURISDICTIONS TO UNDERTAKE IMPROVEMENTS IN THE PROPOSED AREA;

28           **(12)   ~~A A~~ POLITICAL SUBDIVISION'S PARTICIPATION IN**  
29   REVITALIZATION ACTIVITIES INCLUDING WHETHER THE AREA HAS BEEN  
30   DESIGNATED AN ENTERPRISE ZONE;

(13) ~~THE THE PRESENCE OF A SPECIAL TAXING, NATIONAL REGISTER, OR LOCAL HISTORIC DISTRICT~~ SPECIAL TAXING DISTRICT, A HISTORIC DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES, OR A LOCAL HISTORIC DISTRICT;

(14) SUPPORT SUPPORT FROM COMMUNITY OR BUSINESS  
ORGANIZATIONS;

**(15) OTHER OTHER REVITALIZATION PROJECTS UNDERTAKEN IN THE PROPOSED AREA;**

**(16) A A POLITICAL SUBDIVISION'S PARTICIPATION IN  
WORKFORCE READINESS PROGRAMS:**

(17) A. A. POLITICAL SUBDIVISION'S PARTICIPATION IN THE CREATION OF AFFORDABLE AND WORKFORCE HOUSING OPTIONS FOR RESIDENTS;

(18) WHETHER WHETHER THE POLITICAL SUBDIVISION HAS ACTED TO PROVIDE FOR THE ADEQUATE PROTECTION AND CONSERVATION OF VITAL NATURAL RESOURCE AREAS AND AGRICULTURAL AREAS WITHIN THE POLITICAL SUBDIVISION'S COMPREHENSIVE PLAN OR IN ANOTHER LOCAL GOVERNMENT PLAN OR ORDINANCE;

(19) ~~THE THE~~ PRESENCE OF SENSITIVE AREAS, AS DEFINED IN ARTICLE 66B, § 1.00 (J) OF THE CODE;

**(20) A A POLITICAL SUBDIVISION'S PROVISION OF A BREADTH OF TRANSPORTATION OPTIONS TO IMPROVE ACCESSIBILITY AND LAND USE THAT SUPPORTS TRANSIT RIDERSHIP, WALKING, AND BICYCLE USE; AND**

(21) THE FISCAL IMPACT OF THE DESIGNATION OF THE BRAC REVITALIZATION AND INCENTIVE ZONE ON THE STATE.

~~5 2004.~~

**(A) TAX BENEFITS SHALL BE AVAILABLE TO POLITICAL SUBDIVISIONS AND BUSINESS ENTITIES IN BRAC REVITALIZATION AND INCENTIVE ZONES AS PROVIDED FOR IN THIS SECTION.**

**(B) A POLITICAL SUBDIVISION THAT APPLIES FOR DESIGNATION OF AN AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE SHALL IN ITS APPLICATION REQUEST THE TYPE OF TAX BENEFITS IT PREFERS FOR THE ZONE, WHICH MAY INCLUDE:**

~~(1) THE INCOME TAX CREDIT SET FORTH IN § 10-726 OF THE TAX  
GENERAL ARTICLE;~~

**(2) THE PERSONAL PROPERTY TAX CREDIT SET FORTH IN § 9-110  
OF THE TAX PROPERTY ARTICLE; AND**

**(3) ~~ANY ONE OF THE FOLLOWING TYPES OF BENEFITS:~~**

30 (1) THE DEPARTMENT OF BUSINESS AND ECONOMIC  
31 DEVELOPMENT:

32 (2) THE DEPARTMENT OF HOUSING AND COMMUNITY  
33 DEVELOPMENT:

### 34 (3) THE DEPARTMENT OF PLANNING: OR

**(4) ANY OTHER APPROPRIATE STATE PROGRAMS.**

**(D) ANY BUSINESS ENTITY MOVING INTO OR LOCATING WITHIN A BRAC REVITALIZATION AND INCENTIVE ZONE ON OR AFTER THE DATE ON WHICH THE BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED UNDER § 5-2002 OF THIS SUBTITLE MAY BENEFIT FROM THE INCENTIVES AND INITIATIVES SET FORTH IN THIS SECTION IF:**

## **(1) THE BUSINESS ENTITY MEETS THE REQUIREMENTS AND CONDITIONS APPLICABLE TO EACH INCENTIVE OR INITIATIVE:**

**(2) THE BUSINESS ENTITY IS CERTIFIED BY THE RESPECTIVE POLITICAL SUBDIVISION THAT IT IS IN COMPLIANCE WITH THE STANDARDS SUBMITTED BY THE SUBDIVISION UNDER § 5-2002(d)(4) OF THIS SUBTITLE; AND**

**(3) THE BUSINESS ENTITY CREATES NEW OR ADDITIONAL JOBS OR MAKES A CAPITAL INVESTMENT IN ORDER TO QUALIFY FOR THE PROPERTY TAX CREDITS UNDER § 9-110 OF THE TAX PROPERTY ARTICLE.**

(E) ANY BUSINESS ENTITY LOCATED WITHIN A BRAC REVITALIZATION AND INCENTIVE ZONE BEFORE THE DATE ON WHICH THE BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED UNDER § 5 2002 OF THIS SUBTITLE MAY NOT BENEFIT FROM THE INCENTIVES AND INITIATIVES SET FORTH IN THIS SECTION EXCEPT WITH RESPECT TO ANY CAPITAL INVESTMENT OR ANY EXPANSION OF ITS LABOR FORCE OCCURRING AFTER THE DATE ON WHICH THE BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED.

(F) (1) EXCEPT AS PROVIDED IN § 9-110 OF THE TAX PROPERTY ARTICLE OR § 10-726 OF THE TAX GENERAL ARTICLE, THE INCENTIVES AND INITIATIVES SET FORTH IN THIS SECTION SHALL BE AVAILABLE FOR A PERIOD OF 10 YEARS FOLLOWING THE DATE ON WHICH AN AREA IS DESIGNATED A BRAC REVITALIZATION AND INCENTIVE ZONE IN ACCORDANCE WITH § 5-2002 OF THIS SUBTITLE.

**(2) A LAW ENACTED AFTER JUNE 1, 2008, THAT ELIMINATES OR REDUCES THE BENEFITS AVAILABLE TO BUSINESS ENTITIES UNDER THIS SECTION WILL NOT BE APPLICABLE TO ANY BUSINESS ENTITY LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE PRIOR TO THE EFFECTIVE DATE OF THE LATER ENACTED LAW.**

1       (A) ~~ON OR BEFORE OCTOBER 15, 2008, AND ON OR BEFORE OCTOBER~~  
2 ~~15 OF EACH SUBSEQUENT YEAR, A POLITICAL SUBDIVISION WITH A BRAC~~  
3 ~~SMART GROWTH DESIGNATION SHALL SUBMIT A REPORT TO THE DEPARTMENT~~  
4 ~~THAT ASSESSES THE EFFECTIVENESS OF THE TAX BENEFITS PROVIDED TO THE~~  
5 ~~BRAC REVITALIZATION AND INCENTIVE ZONE AND TO THE BUSINESSES IN THE~~  
6 ~~BRAC REVITALIZATION AND INCENTIVE ZONE, INCLUDING:~~

7           (1) ~~THE NUMBER AND AMOUNTS OF CREDITS ANNUALLY~~  
8 ~~GRANTED; AND~~

9           (2) ~~THE SUCCESS OF THE TAX CREDITS IN ATTRACTING AND~~  
10 ~~RETAINING BUSINESSES WITHIN THE BRAC SMART GROWTH ZONE.~~

11       (B) ~~THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL~~  
12 ~~ASSESS THE EFFECTIVENESS OF THE TAX BENEFITS PROVIDED TO THE BRAC~~  
13 ~~REVITALIZATION AND INCENTIVE ZONES AND TO THE BUSINESSES IN THE~~  
14 ~~BRAC REVITALIZATION AND INCENTIVE ZONES, INCLUDING:~~

15           (1) ~~THE NUMBER AND AMOUNTS OF CREDITS ANNUALLY~~  
16 ~~GRANTED; AND~~

17           (2) ~~THE SUCCESS OF THE TAX CREDITS IN ATTRACTING AND~~  
18 ~~RETAINING BUSINESSES WITHIN BRAC SMART GROWTH ZONES.~~

19       (C) ~~ON OR BEFORE DECEMBER 15, 2008, AND ON OR BEFORE~~  
20 ~~DECEMBER 15 OF EACH SUBSEQUENT YEAR, THE DEPARTMENT AND THE~~  
21 ~~COMPTROLLER SHALL SUBMIT TO THE GOVERNOR AND, SUBJECT TO § 2-1246~~  
22 ~~OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT~~  
23 ~~OUTLINING THE FINDINGS OF THE DEPARTMENT AND THE COMPTROLLER AND~~  
24 ~~ANY OTHER INFORMATION OF VALUE IN DETERMINING THE EFFECTIVENESS OF~~  
25 ~~THESE TAX BENEFITS.~~

26 **5-1204.**

27       (A) (1) WITHIN 60 DAYS AFTER A SUBMISSION DATE, THE SECRETARY  
28 MAY DESIGNATE ONE OR MORE BRAC REVITALIZATION AND INCENTIVE ZONES  
29 FROM AMONG THE AREAS DESCRIBED IN THE APPLICATIONS TIMELY  
30 SUBMITTED.

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

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

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

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

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

9                   (1) THE SECRETARY OF TRANSPORTATION;

10                   (2) THE SECRETARY OF HOUSING AND COMMUNITY  
11 DEVELOPMENT;

12                   (3) THE SECRETARY OF THE ENVIRONMENT; AND

13                   (4) THE SECRETARY OF PLANNING.

14                   (C) THE DESIGNATION OF THE SECRETARY IS FINAL.

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

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

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

27                   5-1205.

28                   (A) (1) A POLITICAL SUBDIVISION MAY APPLY TO THE SECRETARY TO  
29 EXPAND AN EXISTING BRAC REVITALIZATION AND INCENTIVE ZONE IN THE  
30 SAME MANNER AS THE POLITICAL SUBDIVISION WOULD APPLY TO DESIGNATE A  
31 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 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;**

**(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;**

(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.

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

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

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

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

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

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

17            (1) PROGRAMS IN:

18            (I) THE DEPARTMENT;

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

21            (III) THE DEPARTMENT OF PLANNING; OR

22            (2) ANY OTHER APPROPRIATE STATE PROGRAMS.

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

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

30        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.

## Article – Housing and Community Development

6-201.

(g) "Community legacy area" means the part of a priority funding area that[.]:

6 6-301.

7 (b) "Designated neighborhood" means:

## Article Tax General

15 ~~10-205.~~

16 (b) ~~The addition under subsection (a) of this section includes the amount of a~~  
17 ~~credit claimed under:~~

18 (1) § 10-702 of this title for wages paid to an employee in an  
19 enterprise zone;

(2) § 10-704.3 of this title or § 8-213 of this article for wages paid and qualified child care or transportation expenses incurred with respect to qualified employment opportunity employees;

23 (3) § 10-704.7 of this title or § 8-216 of this article for wages paid and  
24 qualified child care or transportation expenses incurred with respect to a qualified  
25 employee with a disability; [and]

26 (4) § 10-704.10 of this title for wages paid to a qualified ex felon  
27 employee; AND

28 (5) § 10-726 OF THIS TITLE FOR WAGES PAID TO AN EMPLOYEE IN  
29 A BRAC REVITALIZATION AND INCENTIVE ZONE.

30 ~~10 306.~~

(b) The addition under subsection (a) of this section includes the additions required for an individual under:

(1) ~~§ 10-205(b) of this title (Enterprise zone wage credit, employment opportunity credit, disability credit, [and] qualified ex-felon employee credit, AND BRAC REVITALIZATION AND INCENTIVE ZONE WAGE CREDIT);~~

~~10-726.~~

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) "BRAC REVITALIZATION AND INCENTIVE ZONE" MEANS AN AREA DEFINED IN ARTICLE 83A, § 5-2001 OF THE CODE.**

**(3) (I) "BUSINESS ENTITY" MEANS:**

12 **1. A PERSON CONDUCTING OR OPERATING A TRADE**

13 **OR BUSINESS; OR**

14 **2. AN ORGANIZATION THAT IS EXEMPT FROM**  
15 **TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE.**

21 (4) **“QUALIFIED EMPLOYEE”** MEANS AN INDIVIDUAL WHO:

22 (1) ~~IS A NEW EMPLOYEE OR AN EMPLOYEE REHIRE AFTER~~  
23 ~~BEING LAID OFF FOR MORE THAN 1 YEAR BY A BUSINESS ENTITY;~~

24 (ii) IS EMPLOYED BY A BUSINESS ENTITY AT LEAST 35  
25 HOURS EACH WEEK FOR AT LEAST 6 MONTHS BEFORE OR DURING THE TAXABLE  
26 YEAR FOR WHICH THE ENTITY CLAIMS A CREDIT;

27 (III) SPENDS AT LEAST 50% OF THE HOURS UNDER ITEM (II)  
28 OF THIS PARAGRAPH EITHER IN THE BRAC REVITALIZATION AND INCENTIVE  
29 ZONE OR ON ACTIVITIES OF THE BUSINESS ENTITY RESULTING DIRECTLY FROM  
30 ITS LOCATION IN THE ZONE;

**(IV) EARNED AT LEAST 150% OF THE FEDERAL MINIMUM WAGE, AND**

~~IS HIRED BY THE BUSINESS ENTITY AFTER THE LATER~~

**1. THE DATE ON WHICH THE BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED; OR**

2. THE DATE ON WHICH THE BUSINESS ENTITY LOCATES IN THE BRAC REVITALIZATION AND INCENTIVE ZONE.

**(5) "ECONOMICALLY DISADVANTAGED INDIVIDUAL" MEANS AN INDIVIDUAL WHO IS CERTIFIED BY PROVISIONS THAT THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION ADOPTS AS AN INDIVIDUAL WHO, BEFORE BECOMING EMPLOYED BY A BUSINESS ENTITY IN A BRAC REVITALIZATION AND INCENTIVE ZONE;**

(I) WAS BOTH UNEMPLOYED FOR AT LEAST 30 CONSECUTIVE DAYS AND QUALIFIED TO PARTICIPATE IN TRAINING ACTIVITIES FOR THE ECONOMICALLY DISADVANTAGED UNDER TITLE II, PART B OF THE FEDERAL WORKFORCE INVESTMENT ACT OR ITS SUCCESSOR; OR

**(H) ~~IN THE ABSENCE OF AN APPLICABLE FEDERAL ACT, MET THE CRITERIA FOR AN ECONOMICALLY DISADVANTAGED INDIVIDUAL THAT THE SECRETARY OF LABOR, LICENSING, AND REGULATION SETS.~~**

**(B) (1) ANY BUSINESS ENTITY THAT IS LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE AND SATISFIES THE REQUIREMENTS OF ARTICLE 83A, § 5-2002(D)(4) OF THE CODE MAY CLAIM A CREDIT ONLY AGAINST THE STATE INCOME TAX FOR THE WAGES SPECIFIED IN SUBSECTION (C) OF THIS SECTION THAT ARE PAID IN THE TAXABLE YEAR FOR WHICH THE ENTITY CLAIMS THE CREDIT.**

**(2) AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE MAY APPLY THE CREDIT UNDER THIS SECTION AS A CREDIT AGAINST INCOME TAX DUE ON UNRELATED BUSINESS TAXABLE INCOME AS PROVIDED UNDER §§ 10-304 AND 10-812 OF THIS TITLE.**

~~(C) (1) A CREDIT IS ALLOWED THAT EQUALS:~~

**(I) UP TO \$4,500 OF THE WAGES PAID TO EACH BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO:**

1                   1. IS AN ECONOMICALLY DISADVANTAGED  
2 ~~INDIVIDUAL; AND~~

3                   2. ~~IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM~~  
4 ~~THE BUSINESS ENTITY EMPLOYED IN THAT YEAR OR ANY OF THE 3 PRECEDING~~  
5 ~~TAXABLE YEARS; AND~~

6                   (H) ~~UP TO \$1,500 OF THE WAGES PAID TO EACH BRAC~~  
7 ~~REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO:~~

8                   1. ~~IS NOT AN ECONOMICALLY DISADVANTAGED~~  
9 ~~INDIVIDUAL; AND~~

10                  2. ~~IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM~~  
11 ~~THE BUSINESS ENTITY EMPLOYED IN THAT YEAR OR ANY OF THE 3 PRECEDING~~  
12 ~~TAXABLE YEARS.~~

13                  (2) ~~FOR EACH TAXABLE YEAR AFTER THE TAXABLE YEAR~~  
14 ~~DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, WHILE THE AREA IS~~  
15 ~~DESIGNATED A BRAC REVITALIZATION AND INCENTIVE ZONE, A CREDIT IS~~  
16 ~~ALLOWED THAT EQUALS:~~

17                  (I) ~~UP TO \$4,500 OF THE WAGES PAID TO EACH BRAC~~  
18 ~~REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO:~~

19                  1. ~~IS AN ECONOMICALLY DISADVANTAGED~~  
20 ~~INDIVIDUAL;~~

21                  2. ~~BECAME A BRAC REVITALIZATION AND~~  
22 ~~INCENTIVE ZONE QUALIFIED EMPLOYEE DURING THE TAXABLE YEAR TO WHICH~~  
23 ~~THE CREDIT APPLIES; AND~~

24                  3. ~~IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM~~  
25 ~~THE BUSINESS ENTITY EMPLOYED IN THAT YEAR OR ANY OF THE 3 PRECEDING~~  
26 ~~TAXABLE YEARS;~~

27                  (H) ~~UP TO \$3,000 OF THE WAGES PAID TO EACH BRAC~~  
28 ~~REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO IS AN~~  
29 ~~ECONOMICALLY DISADVANTAGED INDIVIDUAL, IF THE BUSINESS ENTITY~~  
30 ~~RECEIVED A CREDIT UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION FOR THE~~  
31 ~~EMPLOYEE IN THE IMMEDIATELY PRECEDING TAXABLE YEAR; AND~~

(iii) UP TO \$1,500 OF THE WAGES PAID TO EACH BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM THE BUSINESS ENTITY EMPLOYED IN THAT YEAR OR ANY OF THE 3 PRECEDING TAXABLE YEARS IF THE EMPLOYEE:

**1. IS AN ECONOMICALLY DISADVANTAGED INDIVIDUAL FOR WHOM THE BUSINESS ENTITY RECEIVED A CREDIT UNDER ITEM (II) OF THIS PARAGRAPH IN THE 2 IMMEDIATELY PRECEDING TAXABLE YEARS AND UNDER:**

**A. PARAGRAPH (1)(I) OF THIS SUBSECTION; OR**

**B. ITEM (I) OF THIS PARAGRAPH; OR**

**2. IS NOT AN ECONOMICALLY DISADVANTAGED  
STATE A BRAC REVITALIZATION AND INCENTIVE ZONE  
DURING THE TAXABLE YEAR TO WHICH THE CREDIT**

(3) A BUSINESS ENTITY THAT HIRES A BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE TO REPLACE ANOTHER BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE FOR WHOM THE BUSINESS ENTITY RECEIVED A CREDIT UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION AND PARAGRAPH (2)(II) OF THIS SUBSECTION IN THE IMMEDIATELY PRECEDING TAXABLE YEAR MAY TREAT THE NEW EMPLOYEE AS THE REPLACEMENT FOR THE FORMER EMPLOYEE TO DETERMINE ANY CREDIT THAT MAY BE AVAILABLE TO THE BUSINESS ENTITY UNDER PARAGRAPH (2)(II) OR (III) OF THIS SUBSECTION.

**(F) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, A BUSINESS ENTITY MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:**

**(1) THE FULL AMOUNT OF THE EXCESS IS USED; OR**

**(2) THE EXPIRATION OF THE 5TH TAXABLE YEAR FROM THE DATE THE BUSINESS ENTITY HIRED THE QUALIFIED EMPLOYEE TO WHOM IT FIRST APPLIES.**

32 ~~(G) IF A CREDIT IS CLAIMED UNDER THIS SECTION, THE CLAIMANT~~  
33 ~~MUST MAKE THE ADDITION REQUIRED IN § 10-205, § 10-206, OR § 10-306 OF~~  
34 ~~THIS TITLE.~~

## Article – Tax – Property

~~9-110.~~ 2-222.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "BASE YEAR" MEANS THE TAXABLE YEAR IMMEDIATELY BEFORE THE TAXABLE YEAR IN WHICH ~~A PROPERTY TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED~~ PROPERTY FIRST BECOMES QUALIFIED PROPERTY UNDER THIS SECTION.

(3) (i) "BASE YEAR VALUE" MEANS THE VALUE OF THE PROPERTY USED TO DETERMINE THE ASSESSMENT ON WHICH THE PROPERTY TAX ON REAL PROPERTY WAS IMPOSED FOR THE BASE YEAR.

**(II) “BASE YEAR VALUE” DOES NOT INCLUDE ANY NEW REAL PROPERTY THAT WAS FIRST ASSESSED IN THE BASE YEAR.**

**(4) (i) "BUSINESS ENTITY" MEANS A PERSON THAT OPERATES OR CONDUCTS A TRADE OR BUSINESS.**

**(H) "BUSINESS ENTITY" INCLUDES A PERSON THAT OWNS, OPERATES, DEVELOPS, CONSTRUCTS, OR REHABILITATES REAL PROPERTY, IF THE REAL PROPERTY:**

**1. IS INTENDED FOR USE PRIMARILY AS SINGLE OR  
MULTIFAMILY RESIDENTIAL PROPERTY LOCATED IN THE BRAC  
REVITALIZATION AND INCENTIVE ZONE; AND**

**2. IS PARTIALLY DEVOTED TO A NONRESIDENTIAL USE**

**(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.**

1                   **(5) (6)**    “ELIGIBLE ASSESSMENT” MEANS THE DIFFERENCE  
2 BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE AS DETERMINED BY  
3 THE DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR ~~IN WHICH THE TAX~~  
4 ~~CREDIT UNDER THIS SECTION IS TO BE GRANTED.~~

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

7                   **(6) (I)**    “QUALIFIED PROPERTY” MEANS REAL PROPERTY THAT  
8 ~~IS:~~

9                   1.    ~~NOT USED FOR RESIDENTIAL PURPOSES;~~  
10                   2.    ~~USED IN A TRADE OR BUSINESS BY A BUSINESS~~  
11 ~~ENTITY THAT MEETS THE REQUIREMENTS OF ARTICLE 83A, § 5-2004 OF THE~~  
12 ~~CODE; AND~~

13                   3.    ~~LOCATED IN A BRAC REVITALIZATION AND~~  
14 ~~INCENTIVE ZONE THAT IS DESIGNATED UNDER ARTICLE 83A, § 5-2002 OF THE~~  
15 ~~CODE.~~

16                   **(II)**    “QUALIFIED PROPERTY” INCLUDES PERSONAL  
17 PROPERTY ON REAL PROPERTY THAT IS LOCATED IN A BRAC REVITALIZATION  
18 AND INCENTIVE ZONE.

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

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

23                   **(II)**    ~~IN ONE OF THE CATEGORIES OF COMMERCIAL OR~~  
24 ~~RESIDENTIAL PROPERTY THAT THE DEPARTMENT OF BUSINESS AND~~  
25 ~~ECONOMIC DEVELOPMENT HAS DETERMINED, IN CONSULTATION WITH THE~~  
26 ~~BASE REALIGNMENT AND CLOSURE SUBCABINET AND AS PROVIDED IN~~  
27 ~~REGULATIONS ADOPTED BY THE DEPARTMENT OF BUSINESS AND ECONOMIC~~  
28 ~~DEVELOPMENT, ENHANCE THE ECONOMIC DEVELOPMENT OF THE BRAC~~  
29 ~~REVITALIZATION AND INCENTIVE ZONE.~~

30                   **(7) (9)**    “TAX INCREMENT FINANCING BONDS” MEANS BONDS  
31 ISSUED:

(II) BY BALTIMORE CITY UNDER ARTICLE II, § 62 OF THE  
CHARTER OF BALTIMORE CITY.

(B) (1) IF APPROVED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION SHALL GRANT A TAX CREDIT UNDER THIS SUBSECTION AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED PROPERTY.

**(2) UNLESS THE COUNTY IN WHICH A MUNICIPAL CORPORATION IS LOCATED AGREES TO THE DESIGNATION OF A BRAC REVITALIZATION AND INCENTIVE ZONE IN THE MUNICIPAL CORPORATION, QUALIFIED PROPERTY IN THE MUNICIPAL CORPORATION MAY NOT RECEIVE A TAX CREDIT AGAINST COUNTY PROPERTY TAX.**

(3) (i) THE APPROPRIATE GOVERNING BODY SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SUBSECTION EQUAL TO 80% OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY FOR EACH OF THE 10 TAXABLE YEARS FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

**(II) THE DEPARTMENT SHALL ALLOCATE THE ELIGIBLE ASSESSMENT TO THE NONRESIDENTIAL PART OF THE QUALIFIED PROPERTY AT THE SAME PERCENTAGE AS THE SQUARE FOOTAGE OF THE NONRESIDENTIAL PART IS TO THE TOTAL SQUARE FOOTAGE OF THE BUILDING.**

**(H) FOR PURPOSES OF CALCULATING THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION, THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT SHALL BE CALCULATED WITHOUT REDUCTION FOR ANY CREDITS ALLOWED UNDER THIS TITLE.**

**(4) A TAX CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A QUALIFIED PROPERTY FOR NO MORE THAN 10 CONSECUTIVE YEARS BEGINNING WITH THE TAXABLE YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE REAL PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.**

**(5) WHEN A BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED BY THE SECRETARY OF BUSINESS AND ECONOMIC**

1 ~~DEVELOPMENT, THE APPROPRIATE GOVERNING BODY SHALL CERTIFY TO THE~~  
2 ~~DEPARTMENT:~~

3 ~~(I) ANY REAL PROPERTY IN THE BRAC REVITALIZATION~~  
4 ~~AND INCENTIVE ZONE THAT IS QUALIFIED PROPERTY FOR EACH TAXABLE YEAR~~  
5 ~~FOR WHICH THE PROPERTY TAX CREDIT UNDER THIS SUBSECTION SHALL BE~~  
6 ~~GRANTED; AND~~

7 ~~(II) THE DATE THAT THE REAL PROPERTY BECAME A~~  
8 ~~QUALIFIED PROPERTY.~~

9 ~~(6) BEFORE PROPERTY TAX BILLS ARE SENT, THE DEPARTMENT~~  
10 ~~SHALL SUBMIT TO THE APPROPRIATE GOVERNING BODY A LIST OF:~~

11 ~~(I) EACH QUALIFIED PROPERTY;~~

12 ~~(II) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH~~  
13 ~~QUALIFIED PROPERTY; AND~~

14 ~~(III) THE AMOUNT OF THE ELIGIBLE ASSESSMENT FOR EACH~~  
15 ~~QUALIFIED PROPERTY.~~

16 ~~(7) AS PROVIDED IN THE STATE BUDGET, THE STATE SHALL~~  
17 ~~REMIT TO EACH COUNTY OR MUNICIPAL CORPORATION AN AMOUNT EQUAL TO~~  
18 ~~ONE HALF OF THE FUNDS THAT WOULD HAVE BEEN COLLECTED IF THE~~  
19 ~~PROPERTY TAX CREDIT UNDER THIS SUBSECTION HAD NOT BEEN GRANTED.~~

20 ~~(8) (I) QUARTERLY OR MORE FREQUENTLY, THE COUNTY OR~~  
21 ~~MUNICIPAL CORPORATION SHALL SUBMIT A REQUEST TO THE DEPARTMENT~~  
22 ~~FOR THE AMOUNT REQUIRED BY PARAGRAPH (7) OF THIS SUBSECTION.~~

23 ~~(II) WITHIN 5 WORKING DAYS AFTER THE DEPARTMENT~~  
24 ~~RECEIVES THE REQUEST FROM THE COUNTY OR MUNICIPAL CORPORATION, THE~~  
25 ~~DEPARTMENT SHALL CERTIFY TO THE COMPTROLLER THE REIMBURSEMENT~~  
26 ~~DUUE TO EACH COUNTY OR MUNICIPAL CORPORATION.~~

27 ~~(III) WITHIN 5 WORKING DAYS AFTER THE COMPTROLLER~~  
28 ~~RECEIVES THE CERTIFICATION FROM THE DEPARTMENT, THE COMPTROLLER~~  
29 ~~SHALL REIMBURSE EACH COUNTY OR MUNICIPAL CORPORATION.~~

30 ~~(C) (1) IF APPROVED BY THE SECRETARY OF BUSINESS AND~~  
31 ~~ECONOMIC DEVELOPMENT, A POLITICAL SUBDIVISION THAT ESTABLISHES A~~  
32 ~~BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS DESIGNATED BY THE~~  
33 ~~SECRETARY UNDER ARTICLE 83A, § 5-2002 OF THE CODE MAY PLEDGE~~

1 ~~TOWARDS THE REPAYMENT OF TAX INCREMENT FINANCING BONDS THE~~  
2 ~~AMOUNTS REMITTED TO THE LOCAL JURISDICTION UNDER PARAGRAPH (2) OF~~  
3 ~~THIS SUBSECTION.~~

4 ~~(2) IF APPROVED BY THE SECRETARY OF BUSINESS AND~~  
5 ~~ECONOMIC DEVELOPMENT AND AS PROVIDED IN THE STATE BUDGET, FOR~~  
6 ~~EACH FISCAL YEAR FOR A PERIOD OF 10 CONSECUTIVE FISCAL YEARS, THE~~  
7 ~~STATE SHALL REMIT TO THE POLITICAL SUBDIVISION ESTABLISHING THE~~  
8 ~~BRAC REVITALIZATION AND INCENTIVE ZONE AN AMOUNT EQUAL TO THE~~  
9 ~~STATE PROPERTY TAX INCREMENT ON THE QUALIFIED PROPERTIES IN THE~~  
10 ~~BRAC REVITALIZATION AND INCENTIVE ZONE.~~

11 ~~(3) WHEN A BRAC REVITALIZATION AND INCENTIVE ZONE IS~~  
12 ~~DESIGNATED BY THE SECRETARY OF BUSINESS AND ECONOMIC~~  
13 ~~DEVELOPMENT, THE APPROPRIATE GOVERNING BODY SHALL CERTIFY TO THE~~  
14 ~~DEPARTMENT:~~

15 ~~(I) ANY REAL PROPERTY IN THE BRAC REVITALIZATION~~  
16 ~~AND INCENTIVE ZONE THAT IS A QUALIFIED PROPERTY FOR EACH TAXABLE~~  
17 ~~YEAR FOR WHICH THE STATE PROPERTY TAX INCREMENT UNDER THIS~~  
18 ~~SUBSECTION IS TO BE REMITTED; AND~~

19 ~~(II) THE DATE THAT THE REAL PROPERTY BECAME A~~  
20 ~~QUALIFIED PROPERTY.~~

21 ~~(4) BEFORE PROPERTY TAX BILLS ARE SENT, THE DEPARTMENT~~  
22 ~~SHALL SUBMIT TO THE APPROPRIATE GOVERNING BODY A LIST OF:~~

23 ~~(I) EACH QUALIFIED PROPERTY;~~

24 ~~(II) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH~~  
25 ~~QUALIFIED PROPERTY; AND~~

26 ~~(III) THE AMOUNT OF THE ELIGIBLE ASSESSMENT FOR EACH~~  
27 ~~QUALIFIED PROPERTY.~~

28 ~~(5) (I) QUARTERLY OR MORE FREQUENTLY, THE COUNTY OR~~  
29 ~~MUNICIPAL CORPORATION SHALL SUBMIT A REQUEST TO THE DEPARTMENT~~  
30 ~~FOR THE AMOUNT REQUIRED BY PARAGRAPH (2) OF THIS SUBSECTION.~~

31 ~~(II) WITHIN 5 WORKING DAYS AFTER THE DEPARTMENT~~  
32 ~~RECEIVES THE REQUEST FROM THE COUNTY OR MUNICIPAL CORPORATION, THE~~  
33 ~~DEPARTMENT SHALL CERTIFY TO THE COMPTROLLER THE REIMBURSEMENT~~  
34 ~~DUE TO EACH COUNTY OR MUNICIPAL CORPORATION.~~

**(iii) WITHIN 5 WORKING DAYS AFTER THE COMPTROLLER RECEIVES THE CERTIFICATION FROM THE DEPARTMENT, THE COMPTROLLER SHALL REIMBURSE EACH COUNTY OR MUNICIPAL CORPORATION.**

~~(6) THIS SUBSECTION 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.~~

(D) (1) IF APPROVED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, A POLITICAL SUBDIVISION THAT ESTABLISHES A BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS APPROVED BY THE SECRETARY UNDER ARTICLE 83A, § 5-2003 OF THE CODE AND LOCATED WITHIN AN ENTERPRISE ZONE MAY PLEDGE TOWARDS THE REPAYMENT OF TAX INCREMENT FINANCING BONDS THE AMOUNTS REMITTED TO THE LOCAL JURISDICTION UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(2) IF APPROVED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT AND AS PROVIDED IN THE STATE BUDGET, FOR EACH FISCAL YEAR FOR A PERIOD OF 10 CONSECUTIVE FISCAL YEARS, THE STATE SHALL REMIT TO THE POLITICAL SUBDIVISION ESTABLISHING THE BRAC REVITALIZATION AND INCENTIVE ZONE AN AMOUNT EQUAL TO ONE-HALF OF THE FUNDS THAT ARE COLLECTED BY THE STATE ON BEHALF OF THE COUNTY OR MUNICIPAL CORPORATION ASSESSING THE TAX, AS THE LOCAL PROPERTY TAX INCREMENT ON QUALIFIED PROPERTIES IN THE BRAC REVITALIZATION AND INCENTIVE ZONE.

(3) (ii) QUARTERLY OR MORE FREQUENTLY, THE COUNTY OR MUNICIPAL CORPORATION SHALL SUBMIT A REQUEST TO THE DEPARTMENT FOR THE AMOUNT REQUIRED BY PARAGRAPH (2) OF THIS SUBSECTION.

(iii) **WITHIN 5 WORKING DAYS AFTER THE DEPARTMENT RECEIVES THE REQUEST FROM THE COUNTY OR MUNICIPAL CORPORATION, THE DEPARTMENT SHALL CERTIFY TO THE COMPTROLLER THE REIMBURSEMENT DUE TO EACH COUNTY OR MUNICIPAL CORPORATION.**

**(iii) WITHIN 5 WORKING DAYS AFTER THE COMPTROLLER RECEIVES THE CERTIFICATION FROM THE DEPARTMENT, THE COMPTROLLER SHALL REIMBURSE EACH COUNTY OR MUNICIPAL CORPORATION.**

(4) ~~THIS SUBSECTION DOES NOT LIMIT OR OTHERWISE AFFECT ANY AUTHORITY OF A POLITICAL SUBDIVISION UNDER ANY OTHER PROVISION~~

1 ~~OF LAW TO PLEDGE ANY OTHER ASSETS OR REVENUES TOWARDS THE~~  
2 ~~REPAYMENT OF TAX INCREMENT FINANCING BONDS.~~

3 ~~(E) IF APPROVED BY THE SECRETARY OF BUSINESS AND ECONOMIC~~  
4 ~~DEVELOPMENT, A POLITICAL SUBDIVISION THAT ESTABLISHES A BRAC~~  
5 ~~REVITALIZATION AND INCENTIVE ZONE THAT IS APPROVED BY THE SECRETARY~~  
6 ~~UNDER ARTICLE 83A, § 5-2002 OF THE CODE MAY OPT TO EXCLUDE PERSONAL~~  
7 ~~PROPERTY FROM THE TAX CREDIT PROVIDED UNDER SUBSECTION (B) OF THIS~~  
8 ~~SECTION.~~

9 (B) (1) THE AMOUNTS RECEIVED BY A POLITICAL SUBDIVISION  
10 UNDER THIS SECTION MAY BE USED ONLY FOR THE PURPOSES PROVIDED IN §  
11 5-1206 OF THE ECONOMIC DEVELOPMENT ARTICLE.

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

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

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

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

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

29 (II) \$10,000,000 \$5,000,000.

30 (2) IF THE TOTAL AMOUNT TO BE PAID TO ALL POLITICAL  
31 SUBDIVISIONS AS DETERMINED UNDER SUBSECTION (B)(2) OF THIS SECTION  
32 WITHOUT REGARD TO THE LIMITATION UNDER PARAGRAPH (1) OF THIS  
33 SUBSECTION EXCEEDS THE ~~LIMIT~~ LIMITATION UNDER PARAGRAPH (1) OF THIS  
34 SUBSECTION, EACH POLITICAL SUBDIVISION SHALL RECEIVE AN AMOUNT  
35 EQUAL TO THE PRODUCT OF MULTIPLYING THE AMOUNT DETERMINED FOR

1 **THAT POLITICAL SUBDIVISION UNDER SUBSECTION (B)(2) OF THIS SECTION**  
2 **TIMES A FRACTION:**

3 **(I) THE NUMERATOR OF WHICH IS THE ~~LIMIT~~ LIMITATION**  
4 **UNDER PARAGRAPH (1) OF THIS SUBSECTION; AND**

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

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

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

16 **(II) THE DATE THAT THE REAL PROPERTY BECAME**  
17 **QUALIFIED PROPERTY.**

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

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

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

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

32 **(2) THE STATE MAY NOT PROVIDE FUNDS AMOUNTS UNDER THIS**  
33 **SECTION TO A POLITICAL SUBDIVISION UNTIL, IN THE JUDGMENT OF THE**  
34 **SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, THE LOCAL**

1 JURISDICTION HAS ENTERED INTO GOOD-FAITH NEGOTIATIONS FOR A  
2 PAYMENT IN LIEU OF TAX AGREEMENT WITH ALL PRIVATE DEVELOPERS OF  
3 FEDERAL ENCLAVE PROPERTY.

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

9 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
10 read as follows:

11 **Article 83A Department of Business and Economic Development**

12 ~~5-404.~~

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

24 ~~(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO A~~  
25 ~~BUSINESS ENTITY LEASING LAND OR IMPROVEMENTS OWNED BY THE~~  
26 ~~MARYLAND ECONOMIC DEVELOPMENT CORPORATION, CREATED UNDER~~  
27 ~~ARTICLE 83A, § 5-203 OF THE CODE.~~

28 ~~(d) (E) Except as provided in § 10-702 of the Tax General Article and §~~  
29 ~~9-103 of the Tax Property Article, the incentives and initiatives set forth in this~~  
30 ~~section shall be available for a period of 10 years following the date on which the area~~  
31 ~~is designated an enterprise zone pursuant to § 5-402 of this subtitle. No law~~  
32 ~~hereinafter enacted that eliminates or reduces the benefits available to business~~  
33 ~~entities under this section shall be applicable to any business entity located in an~~  
34 ~~enterprise zone prior to the effective date of such law.~~

35 **Article - Tax - Property**

1           (a)    (1)    In this subsection, "national defense" includes homeland security.

2           (2)    An interest of a person in personal property of the federal  
3    government or of the State is not subject to property tax if the person holds an interest  
4    in the property under a contract with the federal government or the State for:

5                (i)    manufacturing, constructing, or assembling equipment,  
6    supplies, or component parts for national defense purposes; or

7                (ii)    research or development for national defense purposes.

8                (3)    An interest of a person in personal property or real property of the  
9    federal government or of the State is not subject to property tax if that property:

10                (i)    is situated on land that is owned by the federal government  
11    and located within the defined boundaries of a military installation; and

12                (ii)    is used for [national defense purposes or for] housing for  
13    military personnel and their families.

14           (c)    [An] EXCEPT FOR AN INTEREST IN FEDERAL ENCLAVE PROPERTY AS  
15    DEFINED IN § 7-211.3 OF THIS SUBTITLE, AN interest of a person in any property of  
16    the federal government or the State is not subject to property tax, if the government  
17    that owns the property makes negotiated payments in lieu of tax payments.

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

21    7-211.2.

22           (a)    In this section, "national defense" includes homeland security.

23           (b)    Personal property or real property is not subject to property tax if the  
24    federal government holds at least a 50% interest in the property, or the entity that  
25    owns the property, and the property:

26                (1)    is situated on land that is owned by the federal government and  
27    located within the defined boundaries of a military installation; and

28                (2)    is used for [national defense purposes or for] housing for military  
29    personnel and their families.

30    7-211.3.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "FEDERAL ENCLAVE PROPERTY" MEANS REAL PROPERTY IMPROVEMENTS OR AN INTEREST IN REAL PROPERTY IMPROVEMENTS:

(I) THAT ~~IS~~ ARE LOCATED WITHIN THE DEFINED BOUNDARIES OF FEDERALLY OWNED LAND WHERE:

**1. THE FEDERAL JURISDICTION WOULD PRECLUDE TAXATION BY THE STATE; AND**

**2. THE FEDERAL GOVERNMENT HAS WAIVED ITS  
IMMUNITY FROM STATE PROPERTY TAXATION BY LAW OR OTHER FORM OF  
CONSENT;**

**(II) THAT ~~IS~~ ARE EITHER:**

17 (III) THAT IS ARE NOT OTHERWISE EXEMPT UNDER THIS  
18 TITLE OR ANY OTHER PROVISION OF LAW.

25                   **(3) (4)**        “PRIVATE DEVELOPER” MEANS A PERSON, OTHER THAN  
26 THE FEDERAL GOVERNMENT OR AN AGENCY THEREOF, THAT OWNS FEDERAL  
27 ENCLAVE PROPERTY OR HOLDS AN INTEREST OR PRIVILEGE UNDER § 6-102(E)  
28 OF THIS ARTICLE IN FEDERAL ENCLAVE PROPERTY.

29 (B) (1) SUBJECT TO THE PROVISIONS OF THIS SECTION, ~~THE~~  
30 ~~MARYLAND DEPARTMENT OF TRANSPORTATION AND ON INITIATION BY THE~~  
31 LOCAL JURISDICTION WHERE THE FEDERAL ENCLAVE PROPERTY IS LOCATED,  
32 THE LOCAL JURISDICTION AND THE STATE MAY JOINTLY ENTER INTO A

1 PAYMENT AGREEMENT IN LIEU OF A TAX AGREEMENT WITH THE FEDERAL  
2 GOVERNMENT OR A PRIVATE DEVELOPER FOR FEDERAL ENCLAVE PROPERTY.

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

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

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

16 (2) (4) FEDERAL ENCLAVE PROPERTY IS NOT SUBJECT TO  
17 PROPERTY TAX IF ~~THE FEDERAL GOVERNMENT OR~~ A PRIVATE DEVELOPER  
18 ENTERS INTO A ~~NEGOTIATED PAYMENT AGREEMENT~~ IN LIEU OF A TAX  
19 AGREEMENT WITH THE ~~MARYLAND DEPARTMENT OF TRANSPORTATION STATE~~  
20 AND THE LOCAL JURISDICTION WHERE THE FEDERAL ENCLAVE PROPERTY IS  
21 LOCATED.

22 (3) (5) THE PARTIES TO AN AGREEMENT UNDER THIS  
23 SUBSECTION ~~AND THE FEDERAL GOVERNMENT~~ SHALL CONSIDER THE TOTAL  
24 IMPACT ~~AND BENEFITS~~ OF THE DEVELOPMENT OF THE FEDERAL ENCLAVE  
25 PROPERTY ON THE STATE AND ON LOCAL JURISDICTIONS, INCLUDING BUT NOT  
26 LIMITED TO:

27 (I) THE IMPACT ON LOCAL AND REGIONAL  
28 TRANSPORTATION;

29 (II) FUTURE ECONOMIC DEVELOPMENT;

30 (III) THE FINANCIAL RESOURCES OF THE LOCAL  
31 JURISDICTION;

32 (IV) THE ENVIRONMENT;

33 (V) NATURAL RESOURCE ALLOCATION;

1 (VI) INFRASTRUCTURE CAPACITY;

2 (VII) EMPLOYMENT;

3 (VIII) DISADVANTAGED BUSINESS ENTERPRISES, MINORITY  
4 BUSINESS ENTERPRISES, AND SMALL BUSINESS ENTERPRISES; ~~AND~~

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

6 (X) IN-KIND CONTRIBUTIONS RELATED TO THE  
7 DEVELOPMENT, INCLUDING THE SERVICES, FACILITIES, PERSONAL AND REAL  
8 PROPERTY, TRAFFIC MITIGATION, RIGHTS-OF-WAY, AND OTHER ASSETS AND  
9 BENEFITS OF THE FEDERAL GOVERNMENT OR THE PRIVATE DEVELOPER MADE  
10 AVAILABLE TO AND USED BY THE PUBLIC; AND

11 ~~(IX)~~ (XI) ANY OTHER MATTER IMPACTED BY THE  
12 DEVELOPMENT OF THE FEDERAL ENCLAVE PROPERTY.

13 ~~(4)~~ (6) (I) AN AGREEMENT UNDER THIS SUBSECTION SHALL  
14 BE APPROVED AND SIGNED BY THE MARYLAND DEPARTMENT OF  
15 TRANSPORTATION, ON BEHALF OF THE STATE, ANY PARTY RESPONSIBLE FOR  
16 MAKING A REQUIRED PAYMENT OR FULFILLING ANY OTHER PROVISION OF THE  
17 AGREEMENT, AND THE GOVERNING BODY OF THE LOCAL JURISDICTION WHERE  
18 THE FEDERAL ENCLAVE PROPERTY IS LOCATED.

19 (II) THE MARYLAND DEPARTMENT OF TRANSPORTATION  
20 SHALL SEEK CONSULTATION WITH ANY LOCAL JURISDICTION IMPACTED BY THE  
21 DEVELOPMENT OF THE FEDERAL ENCLAVE PROPERTY.

22 ~~(5)~~ (7) THE ~~FEDERAL GOVERNMENT OR THE~~ PRIVATE  
23 DEVELOPER SHALL MAKE A PAYMENT, IF ANY, IN LIEU OF PROPERTY TAXES TO  
24 THE COUNTY TAX COLLECTOR FOR THE COUNTY WHERE THE FEDERAL ENCLAVE  
25 PROPERTY IS LOCATED IN AN AMOUNT AND AT A TIME DETERMINED BY THE  
26 AGREEMENT UNDER THIS SUBSECTION.

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

31 ~~(6)~~ (9) THE PAYMENT RECEIVED UNDER PARAGRAPH ~~(5)~~ (7) OF  
32 THIS SUBSECTION SHALL BE DISTRIBUTED BY THE TAX COLLECTOR IN  
33 ACCORDANCE WITH THE AGREEMENT UNDER THIS SUBSECTION TO:

(I) A DEDICATED FUND SPECIFICALLY DESIGNATED IN THE AGREEMENT AS A CONTRIBUTION TO THE COST OF A SPECIFIC PUBLIC IMPROVEMENT ASSOCIATED WITH THE DEVELOPMENT OF THE FEDERAL ENCLAVE PROPERTY; OR

(II) THE STATE, COUNTY, AND, IF APPLICABLE, MUNICIPAL CORPORATION WHERE THE FEDERAL ENCLAVE PROPERTY IS LOCATED IN THE RATIO STATED IN THE AGREEMENT.

~~(7)~~ **(10)** AN AGREEMENT UNDER THIS SUBSECTION MAY PROVIDE FOR ABATING OR REDUCING PROPERTY TAX PREVIOUSLY IMPOSED ON THE FEDERAL ENCLAVE PROPERTY.

~~(8) (11) THE DEPARTMENT AND THE MARYLAND DEPARTMENT OF TRANSPORTATION MAY ADOPT RULES AND REGULATIONS TO IMPLEMENT THIS SECTION, 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.**

21 7-501.

(b) [In] EXCEPT FOR AN INTEREST IN FEDERAL ENCLAVE PROPERTY AS DEFINED IN § 7-211.3 OF THIS TITLE, IN all counties except Worcester County, the governing body of the county or of a municipal corporation in those counties or the Mayor and City Council of Baltimore City may authorize, by law, an exemption from county or municipal corporation property tax for the property described in § 6-102(e) of this article and provide for a negotiated payment in lieu of the tax.

28 9-103.

(II) FOR A BUSINESS ENTITY THAT IS LOCATED ON LAND OR WITHIN IMPROVEMENTS OWNED BY THE FEDERAL, STATE, COUNTY, OR MUNICIPAL GOVERNMENT, "ELIGIBLE ASSESSMENT" MEANS THE DIFFERENCE BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE REDUCED BY THE VALUE OF ANY PROPERTY ENTITLED TO AN EXEMPTION UNDER TITLE 7 OF THIS ARTICLE AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

~~SECTION 3. AND BE IT FURTHER ENACTED, That § 10-726 of the Tax General Article, as enacted by this Act, shall be applicable to all taxable years beginning after December 31, 2007.~~

**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.

SECTION 4. AND BE IT FURTHER ENACTED, That §§ 7-211(a) and (e),  
~~7-211.2, 7-211.3, 7-501(b), 9-103(a)(5), and 9-110 of the Tax Property Article, as  
enacted by this Act, Section 2 of this Act shall be applicable to all taxable years  
beginning after June 30, 2008.~~

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

1           SECTION ~~5.~~ 6. AND BE IT FURTHER ENACTED, That, except as provided in  
2 Section 5 of this Act, this Act shall take effect June 1, 2008.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.