

# SENATE BILL 206

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By: **The President (By Request - Administration) and Senators Dyson, DeGrange, Astle, Conway, Currie, Della, Forehand, Lenett, Madaleno, Peters, Rosapepe, and Simonaire**

Introduced and read first time: January 18, 2008

Assigned to: Budget and Taxation

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## A BILL ENTITLED

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 for certain benefits, including financing for tax increment  
12 financing to be available to the political subdivisions applying for and  
13 administering the Zones; providing for eligibility of a Zone as a community  
14 legacy area or a designated neighborhood under programs administered by the  
15 Department of Housing and Community Development; authorizing the Mayor  
16 and the City Council of Baltimore City to pledge certain funds for certain bonds;  
17 authorizing the Maryland Department of Transportation and certain local  
18 jurisdictions to enter into a certain payment agreement in lieu of a tax  
19 agreement with the federal government or certain private developers for certain  
20 federal enclave property; exempting from State real property tax certain federal  
21 enclave property under certain circumstances; requiring certain factors to be  
22 considered by the parties to certain agreements; requiring a certain agreement  
23 to be approved and signed by certain parties; requiring certain parties to make  
24 a certain payment to a certain tax collector in a certain amount at a certain  
25 time; specifying the distribution of certain payments; authorizing the State  
26 Department of Assessments and Taxation and the Maryland Department of  
27 Transportation to adopt certain rules and regulations; disallowing certain  
28 property tax exemptions for certain federal enclave property; repealing certain  
29 property tax exemptions for certain property located within the defined

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 boundaries of a military installation; defining certain terms; providing for  
2 certain exceptions; requiring certain reports; providing for the application of  
3 this Act; and generally relating to BRAC Revitalization and Incentive Zones and  
4 tax benefits for federal enclave property in the State.

5 BY repealing and reenacting, with amendments,  
6 The Charter of Baltimore City  
7 Article II – General Powers  
8 Section (62)(a)  
9 (2007 Replacement Volume, as amended)

10 BY repealing and reenacting, with amendments,  
11 Article 41 – Governor – Executive and Administrative Departments  
12 Section 14–204  
13 Annotated Code of Maryland  
14 (2003 Replacement Volume and 2007 Supplement)

15 BY adding to  
16 Article 83A – Department of Business and Economic Development  
17 Section 5–404(d); and 5–2001 through 5–2005 to be under the new subtitle  
18 “Subtitle 20. BRAC Revitalization and Incentive Zones Tax Benefits”  
19 Annotated Code of Maryland  
20 (2003 Replacement Volume and 2007 Supplement)

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 (c), 7–211.2, 7–501(b), and 9–103(a)(5)  
9 Annotated Code of Maryland  
10 (2007 Replacement Volume)

11 Preamble

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

15 WHEREAS, It is estimated that BRAC will result in approximately 25,877  
16 households locating within Anne Arundel County, Cecil County, Baltimore County,  
17 Frederick County, Harford County, Howard County, Montgomery County, and Prince  
18 George’s County and Baltimore City; and

19 WHEREAS, The State desires that BRAC–related growth occurs in a manner  
20 that will enhance the State’s ability to preserve our natural resources, enhance the  
21 vitality of older neighborhoods, increase the State’s return on infrastructure  
22 investment by encouraging new development within designated growth areas; and

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

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

29 WHEREAS, BRAC Revitalization and Incentive Zones should provide financial  
30 incentives to local governments to provide infrastructure necessary to encourage  
31 BRAC households to locate in the BRAC Revitalization and Incentive Zones; and

32 WHEREAS, BRAC Revitalization and Incentive Zones should provide financial  
33 incentives to businesses to locate in these areas to provide attractive services to BRAC  
34 households; and

35 WHEREAS, The designation of BRAC Revitalization and Incentive Zones will  
36 assist the State in aligning other State resources and programs such as the  
37 Department of Housing and Community Development’s Community Legacy or  
38 Neighborhood BusinessWorks program; now, therefore,

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

3 **The Charter of Baltimore City**

4 Article II – General Powers

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

11 (62)

12 (a) (1) To borrow money by issuing and selling bonds, at any time and  
13 from time to time, for the purpose of financing and refinancing the development of an  
14 industrial, commercial, or residential area in Baltimore City. Such bonds shall be  
15 payable from and secured by a pledge of the special fund described in subsection  
16 (d)(3)(ii) of this section and the Mayor and City Council of Baltimore may also  
17 establish sinking funds, establish debt service reserve funds, or pledge other assets  
18 and revenues towards the payments of the principal and interest, including revenues  
19 received by the Mayor and City Council of Baltimore pursuant to a development  
20 agreement.

21 (2) (i) In lieu of the pledges set forth in paragraph (1) of this  
22 subsection, the authorizing ordinance or trust agreement, subject to subparagraphs (ii)  
23 and (iii) of this paragraph, may pledge or assign:

24 1. all or any part of that portion of the revenues and  
25 receipts from the taxes representing the levy on the tax increment that would  
26 normally be paid to the Mayor and City Council of Baltimore to the payment of such  
27 principal and interest;

28 2. the special fund described in subsection (d)(3)(ii) of  
29 this section and any other fund into which all or any part of such revenues and  
30 receipts are deposited after such revenues and receipts are appropriated by the Mayor  
31 and City Council of Baltimore to the payment of such principal and interest; [and]

32 **3. AMOUNTS REMITTED TO THE MAYOR AND CITY**  
33 **COUNCIL OF BALTIMORE BY THE STATE UNDER § 9–110(C) OR (D) OF THE TAX –**  
34 **PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND; AND**

35 4. any other assets and revenues of the Mayor and City  
36 Council of Baltimore.

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

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

#### 7 **Article 41 – Governor – Executive and Administrative Departments**

8 14–204.

9 (A) Bonds shall be payable from the special fund described in § 14–206(3)(ii)  
10 of this subtitle [and the].

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

#### 16 **Article 83A – Department of Business and Economic Development**

#### 17 **SUBTITLE 20. BRAC REVITALIZATION AND INCENTIVE ZONES TAX BENEFITS.**

18 **5–2001.**

19 (A) **IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
20 **INDICATED.**

21 (B) **“AREA” MEANS A GEOGRAPHIC AREA WITHIN ONE OR MORE**  
22 **POLITICAL SUBDIVISIONS WITHIN THE STATE DESCRIBED BY A CLOSED**  
23 **PERIMETER BOUNDARY.**

24 (C) **“BRAC REVITALIZATION AND INCENTIVE ZONE” MEANS AN AREA**  
25 **MEETING THE REQUIREMENTS OF § 5–2003 OF THIS SUBTITLE AND SO**  
26 **DESIGNATED BY THE SECRETARY IN ACCORDANCE WITH § 5–2002 OF THIS**  
27 **SUBTITLE.**

28 (D) (1) **“BUSINESS ENTITY” MEANS A PERSON OPERATING OR**  
29 **CONDUCTING A TRADE OR BUSINESS.**

30 (2) **EXCEPT AS PROVIDED IN § 9–110 OF THE TAX – PROPERTY**  
31 **ARTICLE, “BUSINESS ENTITY” DOES NOT INCLUDE A PERSON OWNING,**

1 OPERATING, DEVELOPING, CONSTRUCTING, OR REHABILITATING PROPERTY  
2 INTENDED FOR USE PRIMARILY AS SINGLE OR MULTIFAMILY RESIDENTIAL  
3 PROPERTY LOCATED WITHIN THE BRAC REVITALIZATION AND INCENTIVE  
4 ZONE.

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

6 (F) "POLITICAL SUBDIVISION" MEANS ANY COUNTY OR MUNICIPAL  
7 CORPORATION.

8 (G) "SUBMISSION DATE" MEANS THE DATE THE SECRETARY RECEIVES  
9 AN APPLICATION FROM A POLITICAL SUBDIVISION FOR DESIGNATION OF A  
10 BRAC REVITALIZATION AND INCENTIVE ZONE.

11 (H) "TAX INCREMENT FINANCING BONDS" MEANS BONDS ISSUED BY:

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

14 (2) BALTIMORE CITY UNDER ARTICLE II, § 62 OF THE CHARTER  
15 OF BALTIMORE CITY.

16 5-2002.

17 (A) (1) ANY POLITICAL SUBDIVISION MAY APPLY TO THE SECRETARY  
18 FOR THE DESIGNATION OF AN AREA WITHIN THE POLITICAL SUBDIVISION AS A  
19 BRAC REVITALIZATION AND INCENTIVE ZONE.

20 (2) IF A COUNTY SEEKS TO DESIGNATE AN AREA WITHIN A  
21 MUNICIPAL CORPORATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE,  
22 THEN THE GOVERNING BODY OF THE MUNICIPAL CORPORATION SHALL FIRST  
23 CONSENT.

24 (B) ANY COUNTY MAY APPLY TO THE SECRETARY ON BEHALF OF A  
25 MUNICIPAL CORPORATION, WITH THE CONSENT OF THE MUNICIPAL  
26 CORPORATION, FOR DESIGNATION OF ANY AREA WITHIN THE MUNICIPAL  
27 CORPORATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE.

28 (C) TWO OR MORE POLITICAL SUBDIVISIONS MAY APPLY JOINTLY TO  
29 THE SECRETARY FOR DESIGNATION OF AN AREA AS A BRAC REVITALIZATION  
30 AND INCENTIVE ZONE WHICH MAY BE LOCATED ASTRIDE THEIR COMMON  
31 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:

4           (1) CONTAIN INFORMATION SUFFICIENT FOR THE SECRETARY TO  
5 DETERMINE IF THE CRITERIA ESTABLISHED IN § 5-2003 OF THIS SUBTITLE  
6 HAVE BEEN MET;

7           (2) BE SUBMITTED ON BEHALF OF THE POLITICAL SUBDIVISION  
8 BY ITS CHIEF ELECTED OFFICER OR, IF NONE, BY THE GOVERNING BODY OF THE  
9 POLITICAL SUBDIVISION;

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.

21           (E) (1) WITHIN 60 DAYS FOLLOWING ANY SUBMISSION DATE, THE  
22 SECRETARY MAY DESIGNATE ONE OR MORE BRAC REVITALIZATION AND  
23 INCENTIVE ZONES FROM AMONG THE APPLICATIONS SUBMITTED TO THE  
24 SECRETARY ON OR BEFORE THE SUBMISSION DATE AS PROVIDED IN THIS  
25 SUBSECTION.

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) (I) 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.

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

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

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

7           **(G) BEFORE DESIGNATING A BRAC REVITALIZATION AND INCENTIVE**  
8 **ZONE, OR DETERMINING THE INCENTIVES AVAILABLE TO A POLITICAL**  
9 **SUBDIVISION OR THE BUSINESS ENTITIES LOCATED WITHIN A BRAC**  
10 **REVITALIZATION AND INCENTIVE ZONE, THE SECRETARY SHALL CONSULT**  
11 **WITH AND ASK THE ADVICE OF THE BRAC SUBCABINET, ESTABLISHED UNDER §**  
12 **9-802 OF THE STATE GOVERNMENT ARTICLE.**

13 **5-2003.**

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

16           **(1) BE LOCATED WITHIN A PRIORITY FUNDING AREA AS DEFINED**  
17 **BY TITLE 5, SUBTITLE 7B OF THE STATE FINANCE AND PROCUREMENT**  
18 **ARTICLE;**

19           **(2) BE SERVED BY A PUBLIC OR COMMUNITY WATER AND SEWER**  
20 **SYSTEM OR PLANNED TO BE SERVED BY A PUBLIC OR COMMUNITY WATER AND**  
21 **SEWER SYSTEM UNDER THE APPROVED 10-YEAR WATER AND SEWER PLAN;**

22           **(3) BE DESIGNATED FOR MIXED USE DEVELOPMENT THAT**  
23 **INCLUDES RESIDENTIAL USES AS PART OF THE MIX OF LAND USES BY THE**  
24 **POLITICAL SUBDIVISION; AND**

25           **(4) HAVE AN AVERAGE DENSITY OF AT LEAST 3.5 UNITS PER**  
26 **ACRE, CALCULATED IN ACCORDANCE WITH § 5-7B-03 OF THE STATE FINANCE**  
27 **AND PROCUREMENT ARTICLE, IN THAT PART OF THE AREA DESIGNATED BY THE**  
28 **POLITICAL SUBDIVISION FOR RESIDENTIAL USE OR DEVELOPMENT.**

29           **(B) AN AREA THAT IS WITHIN ONE-HALF MILE OF A MARC STATION**  
30 **ALONG THE PENN, CAMDEN, AND BRUNSWICK LINES SHALL RECEIVE PRIORITY**  
31 **CONSIDERATION FOR DESIGNATION AS A BRAC REVITALIZATION AND**  
32 **INCENTIVE ZONE UNDER THIS SECTION.**



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

4           **(1) 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 THE AREA CONTAINS BROWNFIELDS SITES THAT**  
8 **ARE CAPABLE OF REDEVELOPMENT;**

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

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

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

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

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

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

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

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

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

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

30           **(13) THE PRESENCE OF A SPECIAL TAXING, NATIONAL REGISTER,**  
31 **OR LOCAL HISTORIC DISTRICT;**

1           **(14) SUPPORT FROM COMMUNITY OR BUSINESS ORGANIZATIONS;**

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

4           **(16) A POLITICAL SUBDIVISION'S PARTICIPATION IN WORKFORCE**  
5 **READINESS PROGRAMS;**

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

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

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

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

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

21   **5-2004.**

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

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

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

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

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

4           **(I) THE REAL PROPERTY TAX CREDIT TO BUSINESSES AND**  
5 **THE REBATE TO THE POLITICAL SUBDIVISION FROM THE STATE EQUAL TO**  
6 **ONE-HALF OF THE FUNDS THAT WOULD HAVE BEEN COLLECTED IF THE**  
7 **PROPERTY TAX CREDIT UNDER THIS SUBSECTION HAD NOT BEEN GRANTED, AS**  
8 **SET FORTH IN § 9-110(B) OF THE TAX – PROPERTY ARTICLE;**

9           **(II) A REBATE OF THE STATE PORTION OF THE INCREMENT**  
10 **IN REAL PROPERTY TAX COLLECTED IN THE BRAC REVITALIZATION AND**  
11 **INCENTIVE ZONE, TO BE USED TO REPAY THE TAX INCREMENT FINANCING**  
12 **BONDS ISSUED FOR IMPROVEMENTS WITHIN THE BRAC REVITALIZATION AND**  
13 **INCENTIVE ZONE, AS SET FORTH IN § 9-110(C) OF THE TAX – PROPERTY**  
14 **ARTICLE; OR**

15           **(III) IF THE BRAC REVITALIZATION AND INCENTIVE ZONE**  
16 **IS LOCATED WITHIN AN ENTERPRISE ZONE, A REBATE TO THE POLITICAL**  
17 **SUBDIVISION FROM THE STATE EQUAL TO ONE-HALF OF THE POLITICAL**  
18 **SUBDIVISION’S PROPERTY TAX INCREMENT ON QUALIFIED PROPERTIES IN THE**  
19 **BRAC REVITALIZATION AND INCENTIVE ZONE, WITHOUT THE POLITICAL**  
20 **SUBDIVISION HAVING TO FOREGO COLLECTION OF THAT TAX, TO BE USED TO**  
21 **REPAY THE TAX INCREMENT FINANCING BONDS ISSUED FOR IMPROVEMENTS**  
22 **WITHIN THE BRAC REVITALIZATION AND INCENTIVE ZONE, AS SET FORTH IN §**  
23 **9-110(D) OF THE TAX – PROPERTY ARTICLE.**

24           **(C) POLITICAL SUBDIVISIONS AND BUSINESS ENTITIES MAY RECEIVE**  
25 **PRIORITY CONSIDERATION FOR FINANCIAL ASSISTANCE FOR PROJECTS OR**  
26 **OPERATIONS IN A BRAC REVITALIZATION AND INCENTIVE ZONE FROM THE**  
27 **PROGRAMS WITHIN:**

28           **(1) THE DEPARTMENT OF BUSINESS AND ECONOMIC**  
29 **DEVELOPMENT;**

30           **(2) THE DEPARTMENT OF HOUSING AND COMMUNITY**  
31 **DEVELOPMENT;**

32           **(3) THE DEPARTMENT OF PLANNING; OR**

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

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

6           (1) THE BUSINESS ENTITY MEETS THE REQUIREMENTS AND  
7 CONDITIONS APPLICABLE TO EACH INCENTIVE OR INITIATIVE;

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

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

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

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

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

33 **5-2005.**

34           (A) ON OR BEFORE OCTOBER 15, 2008, AND ON OR BEFORE OCTOBER  
35 15 OF EACH SUBSEQUENT YEAR, A POLITICAL SUBDIVISION WITH A BRAC  
36 SMART GROWTH DESIGNATION SHALL SUBMIT A REPORT TO THE DEPARTMENT

1 **THAT ASSESSES THE EFFECTIVENESS OF THE TAX BENEFITS PROVIDED TO THE**  
 2 **BRAC REVITALIZATION AND INCENTIVE ZONE AND TO THE BUSINESSES IN THE**  
 3 **BRAC REVITALIZATION AND INCENTIVE ZONE, INCLUDING:**

4 (1) **THE NUMBER AND AMOUNTS OF CREDITS ANNUALLY**  
 5 **GRANTED; AND**

6 (2) **THE SUCCESS OF THE TAX CREDITS IN ATTRACTING AND**  
 7 **RETAINING BUSINESSES WITHIN THE BRAC SMART GROWTH ZONE.**

8 (B) **THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL**  
 9 **ASSESS THE EFFECTIVENESS OF THE TAX BENEFITS PROVIDED TO THE BRAC**  
 10 **REVITALIZATION AND INCENTIVE ZONES AND TO THE BUSINESSES IN THE**  
 11 **BRAC REVITALIZATION AND INCENTIVE ZONES, INCLUDING:**

12 (1) **THE NUMBER AND AMOUNTS OF CREDITS ANNUALLY**  
 13 **GRANTED; AND**

14 (2) **THE SUCCESS OF THE TAX CREDITS IN ATTRACTING AND**  
 15 **RETAINING BUSINESSES WITHIN BRAC SMART GROWTH ZONES.**

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

23 **Article – Housing and Community Development**

24 6-201.

25 (g) “Community legacy area” means the part of a priority funding area  
 26 that[,]:

27 (1) as determined by the Board, satisfies the requirements of § 6-206  
 28 of this subtitle; OR

29 (2) **HAS BEEN DESIGNATED AS A BRAC REVITALIZATION AND**  
 30 **INCENTIVE ZONE UNDER ARTICLE 83A, § 5-2002 OF THE CODE.**

31 6-301.

32 (b) “Designated neighborhood” means:

1 (1) an area approved as a designated neighborhood under § 6–305 of  
2 this subtitle; **OR**

3 (2) **AN AREA LOCATED IN A PRIORITY FUNDING AREA AND**  
4 **DESIGNATED AS A BRAC REVITALIZATION AND INCENTIVE ZONE UNDER**  
5 **ARTICLE 83A, § 5–2002 OF THE CODE.**

6 Article - Tax - General

7 10–205.

8 (b) The addition under subsection (a) of this section includes the amount of a  
9 credit claimed under:

10 (1) § 10–702 of this title for wages paid to an employee in an  
11 enterprise zone;

12 (2) § 10–704.3 of this title or § 8–213 of this article for wages paid and  
13 qualified child care or transportation expenses incurred with respect to qualified  
14 employment opportunity employees;

15 (3) § 10–704.7 of this title or § 8–216 of this article for wages paid and  
16 qualified child care or transportation expenses incurred with respect to a qualified  
17 employee with a disability; [and]

18 (4) § 10–704.10 of this title for wages paid to a qualified ex–felon  
19 employee; **AND**

20 (5) **§ 10–726 OF THIS TITLE FOR WAGES PAID TO AN EMPLOYEE IN**  
21 **A BRAC REVITALIZATION AND INCENTIVE ZONE.**

22 10–306.

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

25 (1) § 10–205(b) of this title (Enterprise zone wage credit, employment  
26 opportunity credit, disability credit, [and] qualified ex–felon employee credit, **AND**  
27 **BRAC REVITALIZATION AND INCENTIVE ZONE WAGE CREDIT**);

28 **10–726.**

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

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

3           (3) (I) **“BUSINESS ENTITY” MEANS:**

4                           1. **A PERSON CONDUCTING OR OPERATING A TRADE**  
5 **OR BUSINESS; OR**

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

8                           (II) **“BUSINESS ENTITY” DOES NOT INCLUDE A PERSON**  
9 **OWNING, OPERATING, DEVELOPING, CONSTRUCTING, OR REHABILITATING**  
10 **PROPERTY INTENDED FOR USE PRIMARILY AS SINGLE OR MULTIFAMILY**  
11 **RESIDENTIAL PROPERTY LOCATED WITHIN THE BRAC REVITALIZATION AND**  
12 **INCENTIVE ZONE.**

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

14                           (I) **IS A NEW EMPLOYEE OR AN EMPLOYEE REHIRED AFTER**  
15 **BEING LAID OFF FOR MORE THAN 1 YEAR BY A BUSINESS ENTITY;**

16                           (II) **IS EMPLOYED BY A BUSINESS ENTITY AT LEAST 35**  
17 **HOURS EACH WEEK FOR AT LEAST 6 MONTHS BEFORE OR DURING THE TAXABLE**  
18 **YEAR FOR WHICH THE ENTITY CLAIMS A CREDIT;**

19                           (III) **SPENDS AT LEAST 50% OF THE HOURS UNDER ITEM (II)**  
20 **OF THIS PARAGRAPH EITHER IN THE BRAC REVITALIZATION AND INCENTIVE**  
21 **ZONE OR ON ACTIVITIES OF THE BUSINESS ENTITY RESULTING DIRECTLY FROM**  
22 **ITS LOCATION IN THE ZONE;**

23                           (IV) **EARNS AT LEAST 150% OF THE FEDERAL MINIMUM**  
24 **WAGE; AND**

25                           (V) **IS HIRED BY THE BUSINESS ENTITY AFTER THE LATER**  
26 **OF:**

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

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

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

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

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

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

19                   **(2) AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER §**  
20 **501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE MAY APPLY THE CREDIT**  
21 **UNDER THIS SECTION AS A CREDIT AGAINST INCOME TAX DUE ON UNRELATED**  
22 **BUSINESS TAXABLE INCOME AS PROVIDED UNDER §§ 10-304 AND 10-812 OF**  
23 **THIS TITLE.**

24           **(C) (1) A CREDIT IS ALLOWED THAT EQUALS:**

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

27                           **1. IS AN ECONOMICALLY DISADVANTAGED**  
28 **INDIVIDUAL; AND**

29                           **2. IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM**  
30 **THE BUSINESS ENTITY EMPLOYED IN THAT YEAR OR ANY OF THE 3 PRECEDING**  
31 **TAXABLE YEARS; AND**

32                   **(II) UP TO \$1,500 OF THE WAGES PAID TO EACH BRAC**  
33 **REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO:**



1                   1.    IS NOT 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.

6                   (2)   FOR EACH TAXABLE YEAR AFTER THE TAXABLE YEAR  
7 DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, WHILE THE AREA IS  
8 DESIGNATED A BRAC REVITALIZATION AND INCENTIVE ZONE, A CREDIT IS  
9 ALLOWED THAT EQUALS:

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

12                   1.    IS    AN    ECONOMICALLY    DISADVANTAGED  
13 INDIVIDUAL;

14                   2.    BECAME A BRAC REVITALIZATION AND  
15 INCENTIVE ZONE QUALIFIED EMPLOYEE DURING THE TAXABLE YEAR TO WHICH  
16 THE CREDIT APPLIES; AND

17                   3.    IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM  
18 THE BUSINESS ENTITY EMPLOYED IN THAT YEAR OR ANY OF THE 3 PRECEDING  
19 TAXABLE YEARS;

20                   (II)  UP TO \$3,000 OF THE WAGES PAID TO EACH BRAC  
21 REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO IS AN  
22 ECONOMICALLY DISADVANTAGED INDIVIDUAL, IF THE BUSINESS ENTITY  
23 RECEIVED A CREDIT UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION FOR THE  
24 EMPLOYEE IN THE IMMEDIATELY PRECEDING TAXABLE YEAR; AND

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

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

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

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

**2. IS NOT AN ECONOMICALLY DISADVANTAGED INDIVIDUAL BUT BECAME A BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE DURING THE TAXABLE YEAR TO WHICH THE CREDIT APPLIES.**

**(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 ON WHICH THE BUSINESS ENTITY HIRED THE QUALIFIED EMPLOYEE TO WHOM THE CREDIT FIRST APPLIES.**

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

**Article - Tax - Property**

**9-110.**

**(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.**

1           (3) (I) **“BASE YEAR VALUE” MEANS THE VALUE OF THE**  
2 **PROPERTY USED TO DETERMINE THE ASSESSMENT ON WHICH THE PROPERTY**  
3 **TAX ON REAL PROPERTY WAS IMPOSED FOR THE BASE YEAR.**

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

6           (4) (I) **“BUSINESS ENTITY” MEANS A PERSON THAT OPERATES**  
7 **OR CONDUCTS A TRADE OR BUSINESS.**

8                   (II) **“BUSINESS ENTITY” INCLUDES A PERSON THAT OWNS,**  
9 **OPERATES, DEVELOPS, CONSTRUCTS, OR REHABILITATES REAL PROPERTY, IF**  
10 **THE REAL PROPERTY:**

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

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

16           (5) **“ELIGIBLE ASSESSMENT” MEANS THE DIFFERENCE BETWEEN**  
17 **THE BASE YEAR VALUE AND THE ACTUAL VALUE AS DETERMINED BY THE**  
18 **DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX CREDIT**  
19 **UNDER THIS SECTION IS TO BE GRANTED.**

20           (6) (I) **“QUALIFIED PROPERTY” MEANS REAL PROPERTY THAT**  
21 **IS:**

22                           1. **NOT USED FOR RESIDENTIAL PURPOSES;**

23                           2. **USED IN A TRADE OR BUSINESS BY A BUSINESS**  
24 **ENTITY THAT MEETS THE REQUIREMENTS OF ARTICLE 83A, § 5-2004 OF THE**  
25 **CODE; AND**

26                           3. **LOCATED IN A BRAC REVITALIZATION AND**  
27 **INCENTIVE ZONE THAT IS DESIGNATED UNDER ARTICLE 83A, § 5-2002 OF THE**  
28 **CODE.**

29                   (II) **“QUALIFIED PROPERTY” INCLUDES PERSONAL**  
30 **PROPERTY ON REAL PROPERTY THAT IS LOCATED IN A BRAC REVITALIZATION**  
31 **AND INCENTIVE ZONE.**

32           (7) **“TAX INCREMENT FINANCING BONDS” MEANS BONDS ISSUED:**

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

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

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

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

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

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

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

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

33 (5) WHEN A BRAC REVITALIZATION AND INCENTIVE ZONE IS  
34 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 **DUE 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.

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

4                   **(6) THIS SUBSECTION DOES NOT LIMIT OR OTHERWISE AFFECT**  
5 **ANY AUTHORITY OF A POLITICAL SUBDIVISION UNDER ANY OTHER PROVISION**  
6 **OF LAW TO PLEDGE ANY OTHER ASSETS OR REVENUES TOWARDS THE**  
7 **REPAYMENT OF TAX INCREMENT FINANCING BONDS.**

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

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

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

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

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

34                   **(4) THIS SUBSECTION DOES NOT LIMIT OR OTHERWISE AFFECT**  
35 **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 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**

36 7-211.



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 7-211.2.

19 (a) In this section, “national defense” includes homeland security.

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

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

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

27 **7-211.3.**

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

30 (2) **“FEDERAL ENCLAVE PROPERTY” MEANS REAL PROPERTY OR**  
31 **AN INTEREST IN REAL PROPERTY:**

1                   (I)    **THAT IS LOCATED WITHIN THE DEFINED BOUNDARIES**  
2 **OF FEDERALLY OWNED LAND WHERE:**

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

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

8                   (II)   **THAT IS EITHER:**

9                           1.    **OWNED BY A PERSON OTHER THAN THE FEDERAL**  
10 **GOVERNMENT; OR**

11                           2.    **HELD BY A PERSON THAT IS TAXABLE UNDER §**  
12 **6-102(E) OF THIS ARTICLE; AND**

13                   (III)   **THAT IS NOT OTHERWISE EXEMPT UNDER THIS TITLE OR**  
14 **ANY OTHER PROVISION OF LAW.**

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

19                   (B)   (1)   **SUBJECT TO THE PROVISIONS OF THIS SECTION, THE**  
20 **MARYLAND DEPARTMENT OF TRANSPORTATION AND THE LOCAL JURISDICTION**  
21 **WHERE THE FEDERAL ENCLAVE PROPERTY IS LOCATED MAY JOINTLY ENTER**  
22 **INTO A PAYMENT AGREEMENT IN LIEU OF A TAX AGREEMENT WITH THE**  
23 **FEDERAL GOVERNMENT OR A PRIVATE DEVELOPER FOR FEDERAL ENCLAVE**  
24 **PROPERTY.**

25                           (2)   **FEDERAL ENCLAVE PROPERTY IS NOT SUBJECT TO PROPERTY**  
26 **TAX IF THE FEDERAL GOVERNMENT OR A PRIVATE DEVELOPER ENTERS INTO A**  
27 **NEGOTIATED PAYMENT AGREEMENT IN LIEU OF A TAX AGREEMENT WITH THE**  
28 **MARYLAND DEPARTMENT OF TRANSPORTATION AND THE LOCAL JURISDICTION**  
29 **WHERE THE FEDERAL ENCLAVE PROPERTY IS LOCATED.**

30                           (3)   **THE PARTIES TO AN AGREEMENT UNDER THIS SUBSECTION**  
31 **SHALL CONSIDER THE TOTAL IMPACT OF THE DEVELOPMENT OF THE FEDERAL**  
32 **ENCLAVE PROPERTY ON THE STATE AND ON LOCAL JURISDICTIONS, INCLUDING**  
33 **BUT NOT LIMITED TO:**

1 (I) THE IMPACT ON LOCAL AND REGIONAL  
2 TRANSPORTATION;

3 (II) FUTURE ECONOMIC DEVELOPMENT;

4 (III) THE FINANCIAL RESOURCES OF THE LOCAL  
5 JURISDICTION;

6 (IV) THE ENVIRONMENT;

7 (V) NATURAL RESOURCE ALLOCATION;

8 (VI) INFRASTRUCTURE CAPACITY;

9 (VII) EMPLOYMENT;

10 (VIII) DISADVANTAGED BUSINESS ENTERPRISES, MINORITY  
11 BUSINESS ENTERPRISES, AND SMALL BUSINESS ENTERPRISES; AND

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

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

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

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

28 (6) THE PAYMENT RECEIVED UNDER PARAGRAPH (5) OF THIS  
29 SUBSECTION SHALL BE DISTRIBUTED BY THE TAX COLLECTOR IN ACCORDANCE  
30 WITH THE AGREEMENT UNDER THIS SUBSECTION TO:

31 (I) A DEDICATED FUND SPECIFICALLY DESIGNATED IN THE

1 AGREEMENT AS A CONTRIBUTION TO THE COST OF A SPECIFIC PUBLIC  
2 IMPROVEMENT ASSOCIATED WITH THE DEVELOPMENT OF THE FEDERAL  
3 ENCLAVE PROPERTY; OR

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

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

10 (8) THE DEPARTMENT AND THE MARYLAND DEPARTMENT OF  
11 TRANSPORTATION MAY ADOPT RULES AND REGULATIONS TO IMPLEMENT THIS  
12 SECTION.

13 7-501.

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

20 9-103.

21 (a) (5) (I) “Eligible assessment” means the difference between the base  
22 year value and the actual value as determined by the Department for the applicable  
23 taxable year in which the tax credit under this section is to be granted.

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

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

34 SECTION 4. AND BE IT FURTHER ENACTED, That §§ 7-211(a) and (c),  
35 7-211.2, 7-211.3, 7-501(b), 9-103(a)(5), and 9-110 of the Tax – Property Article, as

1 enacted by this Act, shall be applicable to all taxable years beginning after June 30,  
2 2008.

3 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 June 1, 2008.