

HB0125/645661/1

BY: Committee on Ways and Means

AMENDMENT TO HOUSE BILL 125
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, after “Delegation” insert “and Washington County Delegation”.

AMENDMENT NO. 2

On page 1, in line 2, after “County” insert “and Washington County”; in lines 3 and 10, in each instance, after “County” insert “and the governing body of Washington County”; in line 7, after “County” insert “or in Washington County”; in line 15, after “County” insert “and in Washington County”; and in line 24, after “9-312(i)” insert “and 9-323(g)”.

AMENDMENT NO. 3

On page 2, in line 13, after “**2.**” insert “AT LEAST”.

On page 5, after line 22, insert:

“9-323.

(G) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “AFFILIATE” MEANS A PERSON:

1. THAT DIRECTLY OR INDIRECTLY OWNS AT LEAST 80% OF A BUSINESS ENTITY; OR

(Over)

2. AT LEAST 80% OF WHICH IS OWNED, DIRECTLY OR INDIRECTLY, BY A BUSINESS ENTITY.

(III) "BUSINESS ENTITY" MEANS A PERSON CONDUCTING A TRADE OR BUSINESS IN THE STATE THAT IS SUBJECT TO THE STATE INDIVIDUAL OR CORPORATE INCOME TAX OR INSURANCE PREMIUMS TAX.

(IV) "FULL-TIME POSITION" MEANS A POSITION REQUIRING AT LEAST 840 HOURS OF AN INDIVIDUAL'S TIME DURING AT LEAST 24 WEEKS IN A 6-MONTH PERIOD.

(V) "NEW OR EXPANDED PREMISES" MEANS COMMERCIAL OR INDUSTRIAL REAL PROPERTY, INCLUDING A BUILDING OR PART OF A BUILDING THAT HAS NOT BEEN PREVIOUSLY OCCUPIED, WHERE A BUSINESS ENTITY OR ITS AFFILIATES LOCATE TO CONDUCT BUSINESS.

(VI) 1. "NEW PERMANENT FULL-TIME POSITION" MEANS A POSITION THAT IS:

A. A FULL-TIME POSITION OF INDEFINITE DURATION;

B. LOCATED IN WASHINGTON COUNTY;

C. NEWLY CREATED, AS A RESULT OF THE ESTABLISHMENT OR EXPANSION OF A BUSINESS FACILITY IN THE COUNTY; AND

D. FILLED.

2. “NEW PERMANENT FULL-TIME POSITION” DOES NOT INCLUDE A POSITION THAT IS:

A. CREATED WHEN AN EMPLOYMENT FUNCTION IS SHIFTED FROM AN EXISTING BUSINESS FACILITY OF THE BUSINESS ENTITY OR ITS AFFILIATES LOCATED IN WASHINGTON COUNTY TO ANOTHER BUSINESS FACILITY OF THE SAME ENTITY OR ITS AFFILIATES, IF THE POSITION DOES NOT REPRESENT A NET NEW JOB IN THE COUNTY;

B. CREATED THROUGH A CHANGE IN OWNERSHIP OF A TRADE OR BUSINESS;

C. CREATED THROUGH A CONSOLIDATION, MERGER, OR RESTRUCTURING OF A BUSINESS ENTITY OR ITS AFFILIATES, IF THE POSITION DOES NOT REPRESENT A NET NEW JOB IN THE COUNTY;

D. CREATED WHEN AN EMPLOYMENT FUNCTION IS CONTRACTUALLY SHIFTED FROM AN EXISTING BUSINESS ENTITY OR ITS AFFILIATES LOCATED IN THE COUNTY TO ANOTHER BUSINESS ENTITY OR ITS AFFILIATES, IF THE POSITION DOES NOT REPRESENT A NET NEW JOB IN THE COUNTY; OR

E. FILLED FOR A PERIOD OF LESS THAN 12 MONTHS.

(2) THE GOVERNING BODY OF WASHINGTON COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY PROPERTY TAX IMPOSED ON REAL PROPERTY OWNED OR LEASED BY A BUSINESS ENTITY THAT MEETS THE REQUIREMENTS SPECIFIED FOR THE TAX CREDIT UNDER THIS SUBSECTION.

(Over)

(3) TO QUALIFY FOR A PROPERTY TAX CREDIT UNDER THIS SUBSECTION, BEFORE A BUSINESS ENTITY OBTAINS THE NEW OR EXPANDED PREMISES OR HIRES EMPLOYEES TO FILL THE NEW PERMANENT FULL-TIME POSITIONS AT THE NEW OR EXPANDED PREMISES, THE BUSINESS ENTITY SHALL PROVIDE WRITTEN NOTIFICATION TO THE GOVERNING BODY OF WASHINGTON COUNTY STATING:

(I) THAT THE BUSINESS ENTITY INTENDS TO CLAIM THE PROPERTY TAX CREDIT; AND

(II) WHEN THE BUSINESS ENTITY EXPECTS TO OBTAIN THE NEW OR EXPANDED PREMISES AND HIRE THE REQUIRED NUMBER OF EMPLOYEES IN THE NEW PERMANENT FULL-TIME POSITIONS.

(4) (I) TO QUALIFY FOR A PROPERTY TAX CREDIT UNDER THIS SUBSECTION, AN EXISTING BUSINESS ENTITY IN THE COUNTY SHALL:

1. OBTAIN AT LEAST AN ADDITIONAL 1,500 SQUARE FEET OF NEW OR EXPANDED PREMISES BY PURCHASING NEWLY CONSTRUCTED PREMISES, CONSTRUCTING NEW PREMISES, CAUSING NEW PREMISES TO BE CONSTRUCTED, OR LEASING PREVIOUSLY UNOCCUPIED PREMISES; AND

2. EMPLOY AT LEAST ONE INDIVIDUAL IN A NEW PERMANENT FULL-TIME POSITION DURING A 12-MONTH PERIOD, DURING WHICH PERIOD THE BUSINESS ENTITY ALSO MUST OBTAIN AND OCCUPY THE NEW OR EXPANDED PREMISES.

(II) TO QUALIFY FOR THE PROPERTY TAX CREDIT UNDER THIS SUBSECTION, A NEW BUSINESS ENTITY LOCATING IN THE COUNTY SHALL:

1. OBTAIN AT LEAST 2,500 SQUARE FEET OF NEW OR EXPANDED PREMISES BY PURCHASING NEWLY CONSTRUCTED PREMISES, CONSTRUCTING NEW PREMISES, CAUSING NEW PREMISES TO BE CONSTRUCTED, OR LEASING PREVIOUSLY UNOCCUPIED PREMISES; AND

2. EMPLOY AT LEAST FIVE INDIVIDUALS IN NEW PERMANENT FULL-TIME POSITIONS DURING A 24-MONTH PERIOD, DURING WHICH PERIOD THE BUSINESS ENTITY ALSO MUST OBTAIN AND OCCUPY THE NEW OR EXPANDED PREMISES.

(5) (I) IF AN EXISTING BUSINESS ENTITY IN THE COUNTY MEETS THE REQUIREMENTS OF PARAGRAPH (4)(I) OF THIS SUBSECTION, THE PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION SHALL EQUAL A PERCENTAGE OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ASSESSMENT OF THE NEW OR EXPANDED PREMISES, AS FOLLOWS:

1. 52% IN THE FIRST AND SECOND TAXABLE YEARS;

2. 39% IN THE THIRD AND FOURTH TAXABLE YEARS;

AND

3. 26% IN THE FIFTH AND SIXTH TAXABLE YEARS.

(II) IF A NEW BUSINESS ENTITY LOCATING IN THE COUNTY MEETS THE REQUIREMENTS OF PARAGRAPH (4)(II) OF THIS SUBSECTION, THE PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION SHALL EQUAL A

(Over)

PERCENTAGE OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ASSESSMENT OF THE NEW OR EXPANDED PREMISES, AS FOLLOWS:

1. 30% IN THE FIRST AND SECOND TAXABLE YEARS;
2. 20% IN THE THIRD AND FOURTH TAXABLE YEARS;
3. 10% IN THE FIFTH AND SIXTH TAXABLE YEARS.

AND

(6) THE LESSOR OF REAL PROPERTY GRANTED A PROPERTY TAX CREDIT UNDER THIS SUBSECTION SHALL REDUCE THE AMOUNT OF TAXES FOR WHICH A BUSINESS ENTITY IS CONTRACTUALLY LIABLE UNDER THE LEASE AGREEMENT BY THE AMOUNT OF ANY CREDIT GRANTED UNDER THIS SUBSECTION FOR IMPROVEMENTS MADE BY THE BUSINESS ENTITY.

(7) THE GOVERNING BODY OF WASHINGTON COUNTY SHALL PROVIDE, BY LAW, FOR:

(I) THE SPECIFIC REQUIREMENTS FOR ELIGIBILITY FOR A PROPERTY TAX CREDIT AUTHORIZED UNDER THIS SUBSECTION;

(II) ANY ADDITIONAL LIMITATIONS ON ELIGIBILITY FOR THE CREDIT; AND

(III) ANY OTHER PROVISION APPROPRIATE TO IMPLEMENT THE CREDIT.”.