

Chapter 135

(House Bill 726)

AN ACT concerning

Montgomery County – Property Tax Credit – Benefit Corporations and Benefit Limited Liability Companies

MC 13–12

FOR the purpose of authorizing the governing body of Montgomery County to grant, by law, a tax credit against the county property tax imposed on certain property owned or leased by certain benefit corporations or benefit limited liability companies; authorizing the governing body of Montgomery County to provide, by law, for eligibility and certification criteria for the credit, the amount and duration of the credit, certain regulations and procedures for the credit, limited amount of the tax credit granted, and any other provision necessary to carry out the credit; defining certain terms; providing for the application of this Act; and generally relating to a property tax credit in Montgomery County for certain benefit corporations and benefit limited liability companies.

BY repealing and reenacting, without amendments,

Article – Corporations and Associations

Section 4A–1101(a) and (b), 4A–1103(a), 5–6C–01(a) and (b), and 5–6C–03(a)

Annotated Code of Maryland

(2007 Replacement Volume and 2011 Supplement)

BY adding to

Article – Tax – Property

Section 9–317(g)

Annotated Code of Maryland

(2007 Replacement Volume and 2011 Supplement)

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

Article – Corporations and Associations

4A–1101.

(a) In this subtitle the following words have the meanings indicated.

(b) “Benefit limited liability company” means a Maryland limited liability company that elects to be a benefit limited liability company in accordance with §

4A-1103 of this subtitle and has not ceased to be a benefit limited liability company through the operation of § 4A-1105 of this subtitle.

4A-1103.

(a) A limited liability company may elect to be a benefit limited liability company under this subtitle by including in its articles of organization a statement that the limited liability company is a benefit limited liability company.

5-6C-01.

(a) In this subtitle the following words have the meanings indicated.

(b) “Benefit corporation” means a Maryland corporation that elects to be a benefit corporation in accordance with § 5-6C-03 of this subtitle and has not ceased to be a benefit corporation through the operation of § 5-6C-04 of this subtitle.

5-6C-03.

(a) A corporation may elect to be a benefit corporation under this subtitle by amending or including in the charter of the corporation a statement that the corporation is a benefit corporation.

Article – Tax – Property

9-317.

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

(II) “BENEFIT CORPORATION” MEANS A MARYLAND CORPORATION THAT ELECTS TO BE A BENEFIT CORPORATION AND COMPLIES WITH TITLE 5, SUBTITLE 6C OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

(III) “BENEFIT LIMITED LIABILITY COMPANY” MEANS A MARYLAND LIMITED LIABILITY COMPANY THAT ELECTS TO BE A BENEFIT LIMITED LIABILITY COMPANY AND COMPLIES WITH TITLE 4A, SUBTITLE 11 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

(2) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SUBSECTION AGAINST THE COUNTY PROPERTY TAX IMPOSED ON REAL OR PERSONAL PROPERTY THAT IS:

(I) OWNED OR LEASED BY A BENEFIT CORPORATION OR BENEFIT LIMITED LIABILITY COMPANY;

(II) NOT USED FOR RESIDENTIAL PURPOSES; AND

(III) USED IN A TRADE OR BUSINESS BY A BENEFIT CORPORATION OR BENEFIT LIMITED LIABILITY COMPANY.

(3) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY PROVIDE, BY LAW, FOR:

(I) CRITERIA FOR ELIGIBILITY AND CERTIFICATION FOR THE TAX CREDIT;

(II) THE AMOUNT OF THE TAX CREDIT;

(III) THE DURATION OF THE TAX CREDIT, FOR A PERIOD NOT TO EXCEED 10 YEARS;

(IV) REGULATIONS AND PROCEDURES FOR THE APPLICATION, CERTIFICATION, AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT;

(V) LIMITED AGGREGATE AMOUNTS OF TAX CREDITS GRANTED UNDER THIS SUBSECTION; AND

(VI) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX CREDIT UNDER THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2012, and shall be applicable to all taxable years beginning after June 30, 2012.

Approved by the Governor, April 10, 2012.