

HOUSE BILL 1533

C8, Q4

6lr3412
CF SB 1062

By: Delegates P. Young, Aumann, Brooks, Cluster, Ebersole, Grammer, Hettleman, Jalisi, Krimm, Lafferty, Lam, Lisanti, Luedtke, Metzgar, Miele, Sydnor, West, ~~and K. Young~~ K. Young, Afzali, Long, and Patterson

Introduced and read first time: February 19, 2016

Assigned to: Rules and Executive Nominations

Re-referred to: Ways and Means, February 26, 2016

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 16, 2016

CHAPTER _____

1 AN ACT concerning

2 ~~Enterprise Zones – Target Redevelopment Areas – Designation and~~ Baltimore
3 County – Sales and Use Tax Exemption – Redevelopment Areas

4 FOR the purpose of ~~authorizing a certain political subdivision to request that the Secretary~~
5 ~~of Commerce designate all or a part of a certain enterprise zone as a target~~
6 ~~redevelopment area for a certain period of time; providing that the request may be~~
7 ~~made on or before a certain submission date; requiring the Secretary to grant the~~
8 ~~request under certain circumstances; authorizing a person to apply to the~~
9 ~~Department of Economic Competitiveness and Commerce to certify that a~~
10 ~~construction project located in a certain target redevelopment area is a project for~~
11 ~~which the purchase of certain construction material or warehousing equipment is~~
12 ~~entitled to a certain exemption from the sales and use tax; providing an exemption~~
13 ~~from the sales and use tax for certain construction material or warehousing~~
14 ~~equipment used on certain property in certain areas in Baltimore County under~~
15 ~~certain circumstances; requiring a buyer claiming the exemption to provide certain~~
16 ~~evidence to a vendor; providing that a person who utilizes certain exempt~~
17 ~~construction material or warehousing equipment for a purpose other than for a~~
18 ~~certain project is guilty of a misdemeanor and subject to a certain penalty; defining~~
19 ~~certain terms; providing for the termination of this Act; and generally relating to~~
20 ~~enterprise zones and the sales and use tax.~~

21 ~~BY repealing and reenacting, without amendments,~~

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.



1 ~~Article – Economic Development~~
 2 ~~Section 5–701(a), (d), and (f)~~
 3 ~~Annotated Code of Maryland~~
 4 ~~(2008 Volume and 2015 Supplement)~~

5 ~~BY adding to~~
 6 ~~Article – Economic Development~~
 7 ~~Section 5–706.1~~
 8 ~~Annotated Code of Maryland~~
 9 ~~(2008 Volume and 2015 Supplement)~~

10 BY adding to
 11 Article – Tax – General
 12 Section 11–232 ~~and 13–1032~~
 13 Annotated Code of Maryland
 14 (2010 Replacement Volume and 2015 Supplement)

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

17 ~~**Article – Economic Development**~~

18 ~~5–701.~~

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

20 (d) ~~“Enterprise zone” means an area:~~

21 (1) ~~that meets the requirements of § 5–704(a) of this subtitle and is~~
 22 ~~designated as an enterprise zone by the Secretary under § 5–704(b) of this subtitle;~~

23 (2) ~~designated as an enterprise zone by the United States government~~
 24 ~~under 42 U.S.C. §§ 11501 through 11505; or~~

25 (3) ~~designated as an empowerment zone or enterprise community by the~~
 26 ~~United States government under 26 U.S.C. §§ 1301 through 1307F.~~

27 (f) ~~“Political subdivision” means a county or municipal corporation.~~

28 ~~5–706.1.~~

29 (A) ~~A POLITICAL SUBDIVISION MAY REQUEST THE SECRETARY TO~~
 30 ~~DESIGNATE ALL OR PART OF AN ENTERPRISE ZONE AS A TARGET REDEVELOPMENT~~
 31 ~~AREA FOR THE LESSER OF:~~

32 (1) ~~5 YEARS; OR~~

~~(4) "TARGET REDEVELOPMENT AREA" MEANS AN AREA DESIGNATED AS A TARGET REDEVELOPMENT AREA UNDER § 5-706.1 OF THE ECONOMIC DEVELOPMENT ARTICLE.~~

~~(5) (3) "WAREHOUSING EQUIPMENT" MEANS EQUIPMENT USED FOR MATERIAL HANDLING AND STORAGE, INCLUDING RACKING SYSTEMS, CONVEYING SYSTEMS, AND COMPUTER SYSTEMS AND EQUIPMENT.~~

~~(B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF CONSTRUCTION MATERIAL OR WAREHOUSING EQUIPMENT, IF:~~

~~(1) THE MATERIAL OR EQUIPMENT IS PURCHASED BY A PERSON FOR USE IN A QUALIFIED PROJECT ON PROPERTY OWNED OR LEASED BY THE PERSON ON A PRIVATELY OWNED INDUSTRIAL COMPLEX IN BALTIMORE COUNTY THAT WAS OWNED BY BETHLEHEM STEEL CORPORATION, OR ANY OF ITS SUBSIDIARIES, AND IS REDEVELOPED; AND~~

~~(2) THE PURCHASER BUYER PROVIDES THE VENDOR A COPY OF THE CERTIFICATION ISSUED BY THE DEPARTMENT OF ECONOMIC COMPETITIVENESS AND COMMERCE WITH EVIDENCE OF ELIGIBILITY FOR THE EXEMPTION ISSUED BY THE COMPTROLLER.~~

~~13-1032.~~

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

~~(2) "EXEMPTED CONSTRUCTION MATERIAL" MEANS CONSTRUCTION MATERIAL ON WHICH NO SALES AND USE TAX WAS PAID IN ACCORDANCE WITH § 11-232 OF THIS ARTICLE.~~

~~(3) "EXEMPTED WAREHOUSING EQUIPMENT" MEANS WAREHOUSING EQUIPMENT ON WHICH NO SALES AND USE TAX WAS PAID IN ACCORDANCE WITH § 11-232 OF THIS ARTICLE.~~

~~(4) "QUALIFIED PROJECT" HAS THE MEANING STATED IN § 11-232 OF THIS ARTICLE.~~

~~(B) A PERSON WHO USES EXEMPTED CONSTRUCTION MATERIAL OR EXEMPTED WAREHOUSING EQUIPMENT FOR A PURPOSE OTHER THAN FOR A QUALIFIED PROJECT IS GUILTY OF A MISDEMEANOR AND, ON CONVICTION, IS SUBJECT TO A FINE NOT EXCEEDING \$5,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH.~~

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 ~~October 1, 2016.~~ July 1, 2016. It shall remain effective for a period of 5 years and, at the
3 end of June 30, 2021, with no further action required by the General Assembly, this Act
4 shall be abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.