

# SENATE BILL 389

Q2

(7lr2414)

## ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Senator Hershey**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

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

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

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

#### 2 **Kent County – Property Tax Credit – Commerce Zones**

3 FOR the purpose of authorizing a certain property tax credit for certain business entities  
4 that obtain certain new, improved, or expanded premises in a certain commerce zone  
5 in Kent County; providing for the amount and duration of the property tax credit;  
6 authorizing the governing body of Kent County to provide, by law, for certain matters  
7 relating to the tax credit; defining certain terms; providing for the application of this  
8 Act; and generally relating to a property tax credit in Kent County for real property  
9 located in certain commerce zones.

10 BY adding to

11 Article – Tax – Property

12 Section 9–316

13 Annotated Code of Maryland

14 (2012 Replacement Volume and 2016 Supplement)

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

3 **Article – Tax – Property**

4 **9–316.**

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

7 (2) “COMMERCE ZONE” MEANS A PRIORITY FUNDING AREA IN KENT  
8 COUNTY DESIGNATED BY THE GOVERNING BODY OF KENT COUNTY AS A COMMERCE  
9 ZONE.

10 (3) “NEW, IMPROVED, OR EXPANDED PREMISES” MEANS  
11 COMMERCIAL OR INDUSTRIAL REAL PROPERTY, INCLUDING A BUILDING OR PART OF  
12 A BUILDING THAT HAS NOT BEEN PREVIOUSLY OCCUPIED, WHERE A BUSINESS  
13 ENTITY LOCATES TO CONDUCT BUSINESS.

14 (B) THE GOVERNING BODY OF KENT COUNTY MAY GRANT, BY LAW, A  
15 PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY PROPERTY TAX  
16 IMPOSED ON REAL PROPERTY OWNED BY A BUSINESS ENTITY THAT MEETS THE  
17 REQUIREMENTS SPECIFIED UNDER THIS SECTION.

18 (C) TO QUALIFY FOR A PROPERTY TAX CREDIT UNDER THIS SECTION, A  
19 BUSINESS ENTITY SHALL OBTAIN NEW, IMPROVED, OR EXPANDED PREMISES IN A  
20 COMMERCE ZONE BY:

21 (1) PURCHASING NEWLY CONSTRUCTED PREMISES;

22 (2) CONSTRUCTING NEW PREMISES, ~~OR;~~

23 (3) CAUSING NEW PREMISES TO BE CONSTRUCTED; OR

24 (4) IMPROVING EXISTING PREMISES FOR OCCUPATION BY THE  
25 BUSINESS ENTITY.

26 (D) ~~(1) IF EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,~~  
27 ~~IF~~ IF A BUSINESS ENTITY MEETS THE REQUIREMENTS UNDER SUBSECTION (C) OF  
28 THIS SECTION, THE PROPERTY TAX CREDIT GRANTED UNDER THIS SECTION SHALL  
29 EQUAL A PERCENTAGE OF THE AMOUNT OF COUNTY PROPERTY TAX IMPOSED ON  
30 THE ASSESSMENT OF THE NEW, IMPROVED, OR EXPANDED PREMISES, AS FOLLOWS:

- 1           ~~(1)~~   ~~(H) (1)~~       **50% FOR EACH OF THE FIRST 5 TAXABLE YEARS;**
- 2           ~~(2)~~   ~~(H) (2)~~       ~~25%~~ ~~40%~~ 25% **IN TAXABLE YEARS 6 AND 7;**
- 3           ~~(3)~~   ~~(H) (3)~~       ~~15%~~ ~~30%~~ 15% **IN TAXABLE YEARS 8 THROUGH 10; AND**
- 4 **AND**
- 5           ~~(4)~~   ~~(IV)~~   ~~20% IN TAXABLE YEARS 11 AND 12;~~
- 6           ~~(V)~~   ~~15% IN TAXABLE YEARS 13 AND 14;~~
- 7           ~~(VI)~~   ~~10% IN TAXABLE YEAR 15; AND~~
- 8           ~~(VII)~~   ~~0% FOR EACH TAXABLE YEAR THEREAFTER.~~

9           ~~(2) IF THE NEW, IMPROVED, OR EXPANDED PREMISES IS ALSO~~  
 10 ~~LOCATED IN AN ENTERPRISE ZONE IN KENT COUNTY, THE PROPERTY TAX CREDIT~~  
 11 ~~UNDER THIS SECTION MAY NOT BE GRANTED FOR THE FIRST 10 TAXABLE YEARS BUT~~  
 12 ~~MAY BE GRANTED FOR TAXABLE YEARS 11 THROUGH 15 AS PROVIDED IN ITEMS (IV)~~  
 13 ~~THROUGH (VI) OF PARAGRAPH (1) OF THIS SUBSECTION.~~

14           ~~(4) 0% FOR EACH TAXABLE YEAR THEREAFTER.~~

15           **(E) THE GOVERNING BODY OF KENT COUNTY MAY PROVIDE, BY LAW, FOR:**

- 16           **(1) THE SPECIFIC ELIGIBILITY REQUIREMENTS FOR THE TAX CREDIT**
- 17 **AUTHORIZED UNDER THIS SECTION;**
- 18           **(2) ANY ADDITIONAL LIMITATIONS ON ELIGIBILITY FOR THE CREDIT;**
- 19 **AND**
- 20           **(3) ANY OTHER PROVISION NECESSARY TO IMPLEMENT THE CREDIT.**

21           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
 22 apply retroactively and shall be applied to and interpreted to affect all taxable years  
 23 beginning after June 30, 2015.

24           SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 25 June 1, 2017, ~~and shall be applicable to all taxable years beginning after June 30, 2017.~~