

SENATE BILL 877

C8, Q3, Q1

8lr0167
CF HB 989

By: **The President (By Request – Administration) and Senators Cassilly, Edwards, Feldman, Guzzone, Kagan, Kasemeyer, Kelley, King, Klausmeier, Lee, Madaleno, Mathias, Middleton, Serafini, Smith, and Zucker**

Introduced and read first time: February 5, 2018

Assigned to: Rules

Re-referred to: Budget and Taxation and Finance, February 12, 2018

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 16, 2018

CHAPTER _____

1 AN ACT concerning

2 **Promoting ext-Raordinary Innovation in Maryland's Economy**
3 **(PRIME Act)**

4 FOR the purpose of establishing the Promoting ext-Raordinary Innovation in Maryland's
5 Economy Program within the Department of Commerce to provide certain Fortune
6 100 companies tax credits and benefits for a certain number of years; requiring the
7 Department to administer the Program; establishing the application and eligibility
8 requirements for a business entity to qualify for tax credits and benefits under the
9 Program; authorizing certain types of businesses to receive certain credits and
10 benefits under the Program under certain circumstances; providing for the
11 termination of certain business entities from the Program under certain
12 circumstances; authorizing the Secretary of Commerce to adopt any regulations
13 necessary to implement the Program; requiring the Department to report to the
14 General Assembly on or before a certain date; authorizing a credit against the State
15 income tax for certain income of business entities certified under the Program;
16 making the credit refundable; requiring certain businesses to apply for a certain tax
17 certificate from the Department under certain circumstances; requiring the
18 application to be in a certain form and contain certain information; requiring the
19 Department to issue certain tax credit certificates, subject to certain limitations;
20 requiring the Department to report to the Governor and the General Assembly
21 certain information regarding the tax credit; requiring the Department and the
22 Comptroller to jointly adopt certain regulations; providing for a sales and use tax

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 exemption for certain sales of construction material or warehousing equipment
 2 under certain circumstances; requiring the Department to provide the Comptroller
 3 with a certain list each year; requiring the Comptroller to issue a certain certificate
 4 of eligibility for a certain exemption; providing for the renewal period of a certain
 5 certificate; requiring a certain governing body of a county or of a municipal
 6 corporation to grant a certain tax credit against certain property tax; providing for a
 7 certain tax credit against the State property tax; specifying the duration of certain
 8 tax credits; requiring the Department of Assessments and Taxation to submit a
 9 certain list to the Department of Commerce; requiring the State, under certain
 10 circumstances, to reimburse a certain county or a municipal corporation certain
 11 amounts; requiring the State Department of Assessments and Taxation to provide a
 12 certain notification to the Comptroller and the Comptroller to provide a certain
 13 reimbursement; altering a certain property tax credit for businesses that create new
 14 jobs to allow a business entity that is granted a certain property tax credit to be
 15 eligible to receive the property tax credit for businesses that create new jobs; defining
 16 certain terms; providing for application of certain provisions of this Act; providing
 17 for the termination of this Act under certain circumstances; and generally relating
 18 to the Promoting ext-Raordinary Innovation in Maryland's Economy Program.

19 BY adding to

20 Article – Economic Development

21 Section 6–901 through 6–909 to be under the new subtitle “Subtitle 9.

22 Promoting ext-Raordinary Innovation in Maryland's Economy Program”

23 Annotated Code of Maryland

24 (2008 Replacement Volume and 2017 Supplement)

25 BY adding to

26 Article – Tax – General

27 Section 10–746 and 11–234

28 Annotated Code of Maryland

29 (2016 Replacement Volume and 2017 Supplement)

30 BY adding to

31 Article – Tax – Property

32 Section 9–111

33 Annotated Code of Maryland

34 (2012 Replacement Volume and 2017 Supplement)

35 BY repealing and reenacting, with amendments,

36 Article – Tax – Property

37 Section 9–230(b)(3)

38 Annotated Code of Maryland

39 (2012 Replacement Volume and 2017 Supplement)

40 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

41 That the Laws of Maryland read as follows:

1 **Article – Economic Development**

2 **SUBTITLE 9. PROMOTING EXT-RAORDINARY INNOVATION IN MARYLAND’S**
3 **ECONOMY PROGRAM.**

4 **6-901.**

5 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
6 **INDICATED.**

7 **(B) “BENEFIT YEAR” MEANS A TAXABLE YEAR IN WHICH A QUALIFIED**
8 **BUSINESS ENTITY CLAIMS A PROGRAM BENEFIT ESTABLISHED UNDER § 6-904 OF**
9 **THIS SUBTITLE.**

10 **(C) “BUSINESS ENTITY” MEANS A FORTUNE 100 COMPANY.**

11 **(D) “ELIGIBLE PROJECT” MEANS A PROJECT ESTABLISHED AND OPERATED**
12 **BY A BUSINESS ENTITY THAT MEETS THE REQUIREMENTS SET FORTH UNDER § 6-903**
13 **OF THIS SUBTITLE.**

14 **(E) “PROGRAM” MEANS THE PROMOTING EXT-RAORDINARY INNOVATION**
15 **IN MARYLAND’S ECONOMY PROGRAM ESTABLISHED UNDER THIS SUBTITLE.**

16 **(F) “QUALIFIED BUSINESS ENTITY” MEANS A BUSINESS ENTITY OPERATING**
17 **AN ELIGIBLE PROJECT UNDER THIS SUBTITLE.**

18 **(G) (1) “QUALIFIED POSITION” MEANS A POSITION THAT:**

19 **(I) IS FULL-TIME AND OF INDEFINITE DURATION;**

20 **(II) PAYS AT LEAST \$60,000 BUT NOT MORE THAN \$500,000**
21 **EACH YEAR;**

22 **(III) IS NEWLY CREATED AND LOCATED AT A SINGLE ELIGIBLE**
23 **PROJECT IN THE STATE; AND**

24 **(IV) IS FILLED.**

25 **(2) “QUALIFIED POSITION” DOES NOT INCLUDE A POSITION THAT IS:**

26 **(I) CREATED WHEN AN EMPLOYMENT FUNCTION IS SHIFTED**
27 **FROM AN EXISTING FACILITY OF A BUSINESS ENTITY IN THE STATE TO ANOTHER**
28 **FACILITY OF THE SAME BUSINESS ENTITY IF THE POSITION IS NOT A NET NEW JOB**
29 **IN THE STATE;**

1 (II) CREATED THROUGH A CHANGE IN OWNERSHIP OF A TRADE
2 OR BUSINESS;

3 (III) CREATED THROUGH A CONSOLIDATION, MERGER, OR
4 RESTRUCTURING OF A BUSINESS ENTITY IF THE POSITION IS NOT A NET NEW JOB IN
5 THE STATE;

6 (IV) CREATED WHEN AN EMPLOYMENT FUNCTION IS
7 CONTRACTUALLY SHIFTED FROM AN EXISTING BUSINESS ENTITY TO ANOTHER
8 BUSINESS ENTITY IN THE STATE IF THE POSITION IS NOT A NET NEW JOB IN THE
9 STATE; OR

10 (V) FILLED FOR A PERIOD OF LESS THAN 12 MONTHS.

11 **6-902.**

12 **THERE IS A PROMOTING EXTRAORDINARY INNOVATION IN MARYLAND'S**
13 **ECONOMY (PRIME) PROGRAM IN THE DEPARTMENT.**

14 **6-903.**

15 **(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A BUSINESS**
16 **ENTITY MAY APPLY TO THE DEPARTMENT TO ENROLL AN ELIGIBLE PROJECT IN THE**
17 **PROGRAM.**

18 **(2) A BUSINESS ENTITY SHALL NOTIFY THE DEPARTMENT OF ITS**
19 **INTENT TO SEEK CERTIFICATION OF AN ELIGIBLE PROJECT BEFORE THE BUSINESS**
20 **ENTITY ESTABLISHES THE PROJECT IN THE STATE.**

21 **(B) THE DEPARTMENT MAY CERTIFY A BUSINESS ENTITY AS A QUALIFIED**
22 **BUSINESS ENTITY AFTER THE BUSINESS ENTITY:**

23 **(1) PROVIDES THE REQUIRED NOTICE UNDER SUBSECTION (A) OF**
24 **THIS SECTION;**

25 **(2) APPLIES TO THE DEPARTMENT IN ACCORDANCE WITH**
26 **SUBSECTION (C) OF THIS SECTION; AND**

27 **(3) ESTABLISHES AN ELIGIBLE PROJECT AS DESCRIBED IN**
28 **SUBSECTION (D) OF THIS SECTION.**

29 **(C) A BUSINESS ENTITY SHALL SUBMIT TO THE DEPARTMENT AN**
30 **APPLICATION CONTAINING AT LEAST THE FOLLOWING INFORMATION:**

1 (1) THE ANTICIPATED DATE OF THE ESTABLISHMENT OF THE
2 PROJECT;

3 (2) THE LOCATION OF THE PROJECT;

4 (3) EVIDENCE THAT THE PROJECT WILL FUNCTION AS A
5 HEADQUARTERS OF THE BUSINESS ENTITY;

6 (4) THE ESTIMATED NUMBER OF QUALIFIED POSITIONS TO BE
7 CREATED BY THE PROJECT;

8 (5) THE DATES BY WHICH THE QUALIFIED POSITIONS ARE EXPECTED
9 TO BE FILLED;

10 (6) THE ANTICIPATED PAYROLL FOR THE QUALIFIED POSITIONS; AND

11 (7) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.

12 (D) (1) TO ESTABLISH AN ELIGIBLE PROJECT UNDER THIS SUBTITLE, A
13 BUSINESS ENTITY SHALL:

14 (I) SUBMIT EVIDENCE THAT THE BUSINESS ENTITY IS LEGALLY
15 COMMITTED TO EXPENDING OR CAUSING TO BE EXPENDED A MINIMUM OF
16 \$500,000,000 IN PROJECT COSTS; AND

17 (II) SUBMIT A PROJECT PLAN TO THE DEPARTMENT THAT
18 COMMITS TO CARRY OUT THE FOLLOWING ACTIVITIES OVER A 17-YEAR PERIOD:

19 1. A. FILL AT LEAST 40,000 QUALIFIED POSITIONS AT
20 THE FACILITY; AND

21 B. PROVIDE COMPENSATION FOR THE QUALIFIED
22 POSITIONS IN AN AMOUNT THAT, ON AVERAGE, EQUALS AT LEAST \$100,000
23 ANNUALLY; AND

24 2. EXPEND OR CAUSE TO BE EXPENDED A TOTAL OF
25 \$4,500,000,000, INCLUDING ANY AMOUNTS EXPENDED UNDER ITEM (I) OF THIS
26 PARAGRAPH.

27 (2) COSTS THAT MAY BE INCLUDED IN THE AMOUNT SET FORTH IN
28 PARAGRAPH (1)(I) OF THIS SUBSECTION INCLUDE:

29 (I) OBLIGATIONS FOR LABOR AND PAYMENTS MADE TO
30 CONTRACTORS, SUBCONTRACTORS, BUILDERS, AND SUPPLIERS;

1 (II) ACQUIRING LAND, RIGHTS IN LAND, AND EXPENSES
2 INCIDENTAL TO ACQUIRING LAND OR RIGHTS IN LAND;

3 (III) CONTRACT BONDS AND INSURANCE NEEDED DURING THE
4 ACQUISITION, CONSTRUCTION, OR INSTALLATION OF THE PROJECT;

5 (IV) TEST BORINGS, SURVEYS, ESTIMATES, PLANS,
6 SPECIFICATIONS, PRELIMINARY INVESTIGATIONS, ENVIRONMENTAL MITIGATION,
7 SUPERVISION OF CONSTRUCTION, AND ANY OTHER ARCHITECTURAL AND
8 ENGINEERING SERVICES;

9 (V) PERFORMING DUTIES REQUIRED BY OR CONSEQUENT TO
10 THE ACQUISITION, CONSTRUCTION, AND INSTALLATION OF THE PROJECT;

11 (VI) INSTALLING WATER, SEWER, SEWER TREATMENT, GAS,
12 ELECTRICITY, COMMUNICATIONS, RAILROADS, AND SIMILAR UTILITIES;

13 (VII) BOND INSURANCE, LETTERS OF CREDIT, AND OTHER FORMS
14 OF CREDIT ENHANCEMENT OR LIQUIDITY FACILITIES;

15 (VIII) INTEREST EXPENSES BEFORE AND DURING THE
16 ACQUISITION, CONSTRUCTION, INSTALLATION, AND EQUIPPING OF THE PROJECT,
17 AND FOR UP TO 2 YEARS AFTER PROJECT COMPLETION;

18 (IX) COMPUTERS, NONRECURRING COSTS OF FIXED
19 TELECOMMUNICATIONS EQUIPMENT, FURNISHINGS, AND OFFICE EQUIPMENT; AND

20 (X) MOVING EXPENSES, SEPARATION EXPENSES, AND ANY
21 OTHER EXPENSES DIRECTLY RELATED TO MOVING FROM OUTSIDE THE STATE TO A
22 LOCATION IN THE STATE.

23 **6-904.**

24 (A) ~~(H)~~ (1) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE
25 PROGRAM BENEFITS AUTHORIZED UNDER THIS SECTION MAY BE CLAIMED BY A
26 QUALIFIED BUSINESS ENTITY FOR UP TO 10 CONSECUTIVE BENEFIT YEARS.

27 ~~(H)~~ (2) FOR THE INCOME TAX CREDIT ESTABLISHED UNDER §
28 10-746 OF THE TAX – GENERAL ARTICLE, A QUALIFIED BUSINESS ENTITY MAY
29 CLAIM THE CREDIT FOR 10 CONSECUTIVE BENEFIT YEARS FOR EACH QUALIFIED
30 POSITION.

1 **(B) ON ENROLLMENT IN THE PROGRAM A QUALIFIED BUSINESS ENTITY IS**
2 **ELIGIBLE FOR:**

3 **(1) SUBJECT TO SUBSECTION (C) OF THIS SECTION, A CREDIT**
4 **AGAINST THE STATE INCOME TAX, ESTABLISHED UNDER § 10-746 OF THE**
5 **TAX – GENERAL ARTICLE;**

6 **(2) A CREDIT AGAINST A PORTION OF THE COUNTY OR MUNICIPAL**
7 **CORPORATION PROPERTY TAX AND OF THE STATE PROPERTY TAX ESTABLISHED**
8 **UNDER § 9-111 OF THE TAX – PROPERTY ARTICLE; AND**

9 **(3) AN EXEMPTION FROM THE SALES AND USE TAX, AS PROVIDED**
10 **UNDER § 11-234 OF THE TAX – GENERAL ARTICLE.**

11 **(C) (1) TO BE ELIGIBLE FOR THE CREDIT AGAINST THE STATE INCOME**
12 **TAX ESTABLISHED UNDER § 10-746 OF THE TAX – GENERAL ARTICLE, A BUSINESS**
13 **ENTITY SHALL:**

14 **(I) PROVIDE COMPENSATION FOR THE QUALIFIED POSITIONS**
15 **FOR WHICH THE BUSINESS ENTITY SEEKS TO CLAIM THE CREDIT IN AN AMOUNT**
16 **THAT, ON AVERAGE, EQUALS AT LEAST \$100,000 EACH YEAR; AND**

17 **(II) PROVIDE TO THE DEPARTMENT, FOR EACH BENEFIT YEAR,**
18 **EVIDENCE OF THE COMPENSATION REQUIRED UNDER THIS SUBSECTION.**

19 **(2) TO BE ELIGIBLE FOR A CREDIT AGAINST THE STATE INCOME TAX**
20 **ESTABLISHED UNDER § 10-746 OF THE TAX – GENERAL ARTICLE FOR THE FILLING**
21 **OF QUALIFIED POSITIONS AFTER THE FIRST BENEFIT YEAR, A QUALIFIED BUSINESS**
22 **ENTITY SHALL FILL THE REQUIRED NUMBER OF QUALIFIED POSITIONS NOT LATER**
23 **THAN 17 YEARS AFTER ENROLLMENT IN THE PROGRAM.**

24 **(D) IF THE NUMBER OF QUALIFIED POSITIONS AT THE ELIGIBLE PROJECT**
25 **DECREASES TO A NUMBER LESS THAN THE NUMBER OF QUALIFIED POSITIONS**
26 **CLAIMED IN THE FIRST BENEFIT YEAR, THE PROJECT SHALL BE REMOVED FROM THE**
27 **PROGRAM AND ALL PROGRAM BENEFITS TERMINATE.**

28 **6-905.**

29 **THE DEPARTMENT SHALL PROVIDE TO A QUALIFIED BUSINESS ENTITY A**
30 **CERTIFICATE THAT:**

31 **(1) CERTIFIES THE ELIGIBILITY OF THE PROJECT THAT IS ENROLLED**
32 **IN THE PROGRAM;**

1 **(2) PROVIDES THE DURATION OF THE CERTIFICATION;**

2 **(3) IS UPDATED AS NEEDED TO REFLECT AN INCREASE IN THE**
3 **NUMBER OF QUALIFIED POSITIONS FOR WHICH THE QUALIFIED BUSINESS ENTITY IS**
4 **ELIGIBLE FOR A CREDIT AGAINST THE STATE INCOME TAX, AS PROVIDED UNDER §**
5 **10-746 OF THE TAX – GENERAL ARTICLE; AND**

6 **(4) PROVIDES ANY ADDITIONAL INFORMATION NECESSARY FOR THE**
7 **QUALIFIED BUSINESS ENTITY TO RECEIVE A PROGRAM BENEFIT FOR WHICH THE**
8 **BUSINESS ENTITY IS ELIGIBLE, OR WHICH THE COMPTROLLER OR THE**
9 **DEPARTMENT NEEDS TO ADMINISTER THE PROGRAM.**

10 **6-906.**

11 **(A) THE DEPARTMENT MAY REVOKE ITS CERTIFICATION UNDER THIS**
12 **SUBTITLE, IN WHOLE OR IN PART, IF:**

13 **(1) ANY REPRESENTATION MADE BY A QUALIFIED BUSINESS ENTITY**
14 **IS DETERMINED BY THE DEPARTMENT TO HAVE BEEN FALSE WHEN MADE; OR**

15 **(2) AS DETERMINED BY THE DEPARTMENT, THE ACTUAL**
16 **EXPENDITURES AND HIRING OF EMPLOYEES TO FILL QUALIFIED POSITIONS BY THE**
17 **QUALIFIED BUSINESS ENTITY OPERATING THE PROJECT ARE SIGNIFICANTLY**
18 **BELOW THE ESTIMATES IN THE PROJECT PLAN PROVIDED BY THE BUSINESS ENTITY**
19 **UNDER § 6-903(D)(1)(II) OF THIS SUBTITLE.**

20 **(B) IF THE DEPARTMENT REVOKES ITS CERTIFICATION UNDER**
21 **SUBSECTION (A) OF THIS SECTION, THE COMPTROLLER MAY MAKE AN ASSESSMENT**
22 **AGAINST THE QUALIFIED BUSINESS ENTITY TO RECAPTURE ANY AMOUNT OF A**
23 **PROGRAM BENEFIT THAT THE QUALIFIED BUSINESS ENTITY HAS RECEIVED.**

24 **6-907.**

25 **(A) THE DEPARTMENT MAY REQUIRE THAT ANY INFORMATION PROVIDED**
26 **UNDER THIS SUBTITLE BE VERIFIED BY AN INDEPENDENT CERTIFIED PUBLIC**
27 **ACCOUNTANT THAT THE QUALIFIED BUSINESS ENTITY AND THE DEPARTMENT**
28 **SELECT.**

29 **(B) (1) ACCEPTANCE BY A QUALIFIED BUSINESS ENTITY OF THE**
30 **PROGRAM BENEFITS UNDER THIS SUBTITLE SHALL BE DEEMED TO AUTHORIZE THE**
31 **COMPTROLLER TO SHARE WITH THE DEPARTMENT ANY INFORMATION RECEIVED**
32 **FROM A QUALIFIED BUSINESS ENTITY ABOUT ELIGIBILITY FOR A PROGRAM BENEFIT**
33 **ALLOWED UNDER THIS SUBTITLE.**

1 **(II) FILL THE REQUIRED NUMBER OF QUALIFIED POSITIONS**
2 **NOT LATER THAN 17 YEARS AFTER INITIAL ENROLLMENT IN THE PROGRAM.**

3 **(2) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL**
4 **OR A CORPORATION THAT IS A QUALIFIED BUSINESS ENTITY THAT OPERATES AN**
5 **ELIGIBLE PROJECT IN THE STATE MAY CLAIM A CREDIT AGAINST THE STATE**
6 **INCOME TAX EQUAL TO THE AMOUNT STATED IN THE FINAL TAX CREDIT**
7 **CERTIFICATE APPROVED BY THE DEPARTMENT FOR AN ELIGIBLE PROJECT.**

8 **(3) THE AMOUNT OF THE CREDIT AUTHORIZED UNDER PARAGRAPH**
9 **(2) OF THIS SUBSECTION IS EQUAL TO THE PRODUCT OF:**

10 **(I) THE STATE EMPLOYER WITHHOLDING AMOUNT, WHICH IS**
11 **EQUAL TO THE HIGHEST TAX RATE LISTED IN § 10-105(A) OF THIS TITLE; AND**

12 **(II) SUBJECT TO PARAGRAPH (1) OF THIS SUBSECTION, THE**
13 **TOTAL AMOUNT OF WAGES PAID FOR EACH QUALIFIED POSITION AT AN ELIGIBLE**
14 **PROJECT.**

15 **(4) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY**
16 **TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE QUALIFIED**
17 **BUSINESS ENTITY FOR THAT TAXABLE YEAR, THE QUALIFIED BUSINESS ENTITY MAY**
18 **CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.**

19 **(c) (1) ON ENROLLMENT IN THE PROMOTING EXT-RAORDINARY**
20 **INNOVATION IN MARYLAND'S ECONOMY PROGRAM ESTABLISHED UNDER TITLE 6,**
21 **SUBTITLE 9 OF THE ECONOMIC DEVELOPMENT ARTICLE, A QUALIFIED BUSINESS**
22 **ENTITY SHALL APPLY TO THE DEPARTMENT FOR A CERTIFICATE OF ELIGIBILITY**
23 **FOR A TAX CREDIT UNDER THIS SECTION.**

24 **(2) THE APPLICATION SHALL BE IN THE FORM AND SHALL CONTAIN**
25 **THE INFORMATION THAT THE DEPARTMENT REQUIRES.**

26 **(3) (I) EACH YEAR, SUBJECT TO THE LIMITATIONS OF THIS**
27 **SUBSECTION, THE DEPARTMENT SHALL ISSUE AN INITIAL TAX CREDIT CERTIFICATE**
28 **IN AN AMOUNT EQUAL TO A PERCENTAGE OF TOTAL WAGES PAID FOR EACH**
29 **QUALIFIED POSITION AT AN ELIGIBLE PROJECT AS CALCULATED UNDER**
30 **SUBSECTION (B) OF THIS SECTION.**

31 **(II) AN INITIAL TAX CREDIT CERTIFICATE ISSUED UNDER THIS**
32 **SUBSECTION SHALL STATE THE MAXIMUM AMOUNT OF TAX CREDIT FOR WHICH THE**
33 **QUALIFIED BUSINESS ENTITY IS ELIGIBLE.**

1 **(B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF QUALIFIED**
 2 **PERSONAL PROPERTY OR SERVICES IF THE BUYER PROVIDES THE VENDOR WITH**
 3 **EVIDENCE OF ELIGIBILITY FOR THE EXEMPTION ISSUED BY THE COMPTROLLER.**

4 **(C) (1) EACH YEAR, THE DEPARTMENT SHALL PROVIDE THE**
 5 **COMPTROLLER WITH A LIST OF QUALIFIED BUSINESS ENTITIES.**

6 **(2) WITHIN 30 DAYS OF RECEIVING A LIST OF QUALIFIED BUSINESS**
 7 **ENTITIES FROM THE DEPARTMENT, THE COMPTROLLER SHALL ISSUE, TO EACH**
 8 **QUALIFIED BUSINESS ENTITY, A CERTIFICATE OF ELIGIBILITY FOR THE EXEMPTION**
 9 **UNDER THIS SECTION.**

10 **(3) THE CERTIFICATE ISSUED UNDER PARAGRAPH (2) OF THIS**
 11 **SUBSECTION:**

12 **(I) MUST BE RENEWED EACH YEAR; AND**

13 **(II) MAY NOT BE RENEWED FOR MORE THAN 10 CONSECUTIVE**
 14 **YEARS.**

15 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 16 as follows:

17 **Article – Tax – Property**

18 **9–111.**

19 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
 20 **INDICATED.**

21 **(2) “ELIGIBLE ASSESSMENT” MEANS THE DIFFERENCE BETWEEN THE**
 22 **BASE YEAR VALUE OF A QUALIFIED PROPERTY AND THE ACTUAL VALUE OF A**
 23 **QUALIFIED PROPERTY AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE**
 24 **TAXABLE YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.**

25 **(3) “ELIGIBLE PROJECT” HAS THE MEANING STATED IN § 6–901 OF**
 26 **THE ECONOMIC DEVELOPMENT ARTICLE.**

27 **(4) “QUALIFIED BUSINESS ENTITY” HAS THE MEANING STATED IN §**
 28 **6–901 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

29 **(5) “QUALIFIED PROPERTY” MEANS REAL PROPERTY WHERE AN**
 30 **ELIGIBLE PROJECT IS LOCATED.**

1 **(B) (1) THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL**
2 **CORPORATION SHALL GRANT A PROPERTY TAX CREDIT UNDER THIS SECTION**
3 **AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX THAT IS**
4 **IMPOSED ON THE ELIGIBLE ASSESSMENT OF A QUALIFIED PROPERTY OWNED BY A**
5 **QUALIFIED BUSINESS ENTITY ENROLLED IN THE PROMOTING EXT-RAORDINARY**
6 **INNOVATION IN MARYLAND'S ECONOMY PROGRAM ESTABLISHED UNDER TITLE 6,**
7 **SUBTITLE 9 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

8 **(2) IN ADDITION TO THE PROPERTY TAX CREDIT PROVIDED UNDER**
9 **PARAGRAPH (1) OF THIS SUBSECTION, THERE IS A CREDIT AGAINST THE STATE**
10 **PROPERTY TAX THAT IS IMPOSED ON THE ELIGIBLE ASSESSMENT OF A QUALIFIED**
11 **PROPERTY OWNED BY A QUALIFIED BUSINESS ENTITY ENROLLED IN THE**
12 **PROMOTING EXT-RAORDINARY INNOVATION IN MARYLAND'S ECONOMY PROGRAM**
13 **ESTABLISHED UNDER TITLE 6, SUBTITLE 9 OF THE ECONOMIC DEVELOPMENT**
14 **ARTICLE.**

15 **(3) THE PROPERTY TAX CREDITS REQUIRED UNDER PARAGRAPHS (1)**
16 **AND (2) OF THIS SUBSECTION ARE EQUAL TO 50% OF THE STATE, COUNTY, OR**
17 **MUNICIPAL CORPORATION PROPERTY TAX THAT IS IMPOSED ON THE ELIGIBLE**
18 **ASSESSMENT OF A QUALIFIED PROPERTY.**

19 **(4) A TAX CREDIT UNDER THIS SECTION MAY BE CLAIMED FOR A**
20 **QUALIFIED PROPERTY FOR 10 CONSECUTIVE YEARS IF THE PROPERTY REMAINS A**
21 **QUALIFIED PROPERTY OWNED BY A QUALIFIED BUSINESS ENTITY.**

22 **(C) BY JUNE 15 EACH YEAR, THE DEPARTMENT SHALL SUBMIT TO THE**
23 **DEPARTMENT OF COMMERCE A LIST THAT INCLUDES:**

24 **(1) THE LOCATION OF EACH QUALIFIED PROPERTY;**

25 **(2) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH QUALIFIED**
26 **PROPERTY; AND**

27 **(3) THE AMOUNT OF THE PROPERTY TAX ASSESSED AGAINST EACH**
28 **QUALIFIED PROPERTY.**

29 **(D) AS PROVIDED IN THE STATE BUDGET, THE STATE SHALL REIMBURSE**
30 **EACH COUNTY OR MUNICIPAL CORPORATION AN AMOUNT EQUAL TO ONE-HALF OF**
31 **THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX REVENUE THAT WOULD**
32 **HAVE BEEN COLLECTED IF THE PROPERTY TAX CREDIT UNDER THIS SECTION HAD**
33 **NOT BEEN GRANTED.**

34 **(E) (1) FOR A COUNTY OR MUNICIPAL CORPORATION TO RECEIVE A**
35 **REIMBURSEMENT UNDER SUBSECTION (D) OF THIS SECTION, THE COUNTY OR**

1 MUNICIPAL CORPORATION SHALL SUBMIT AN ANNUAL REQUEST TO THE
2 DEPARTMENT FOR THE AMOUNT REQUIRED BY SUBSECTION (D) OF THIS SECTION.

3 (2) WITHIN 5 WORKING DAYS AFTER THE DEPARTMENT RECEIVES
4 THE REQUEST FROM A COUNTY OR MUNICIPAL CORPORATION, THE DEPARTMENT
5 SHALL CERTIFY TO THE COMPTROLLER THE REIMBURSEMENT DUE TO THE COUNTY
6 OR MUNICIPAL CORPORATION.

7 (3) WITHIN 5 WORKING DAYS AFTER THE COMPTROLLER RECEIVES
8 THE CERTIFICATION FROM THE DEPARTMENT, THE COMPTROLLER SHALL REMIT
9 THE REIMBURSEMENT TO THE COUNTY OR MUNICIPAL CORPORATION.

10 9–230.

11 (b) (3) [A] (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
12 PARAGRAPH, A tax credit may not be granted under this section if:

13 [(i)] ~~A~~ 1. the business entity or any of its affiliates have moved their
14 operations from one county in the State to the new or expanded premises in another; or

15 [(ii)] ~~B~~ 2. the new or expanded premises has otherwise been granted
16 a tax credit or exemption under this article for the taxable year.

17 (II) NOTWITHSTANDING ANY OTHER STATE OR LOCAL LAW,
18 SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT APPLY TO A BUSINESS ENTITY
19 THAT HAS BEEN GRANTED A TAX CREDIT UNDER § 9–111 OF THE TAX – PROPERTY
20 ARTICLE.

21 SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be
22 applicable to all taxable years beginning after December 31, 2017.

23 SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall be
24 applicable to all taxable years beginning after June 30, 2018.

25 SECTION 6. AND BE IT FURTHER ENACTED, That:

26 (a) If the Department of Commerce fails to certify a business entity as a qualified
27 business entity under Title 6, Subtitle 9 of the Economic Development Article, as enacted
28 by Section 1 of this Act, before January 1, 2022, this Act, with no further action required
29 by the General Assembly, shall be abrogated and of no further force and effect.

30 (b) On or before January 5, 2022, the Secretary of Commerce shall provide notice
31 of the taking effect of the termination provision under subsection (a) of this section to the
32 Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

1 SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.