

SB0427/973829/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 427
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “requiring” in line 4 down through “manner” in line 9; strike beginning with “altering” in line 10 down through “zone” in line 16 and substitute “modifying the membership of the board of the Maryland Economic Development Commission; redesignating the Maryland Economic Development Assistance Authority to be the Maryland Economic Competitiveness Fund; repealing certain limits on assistance offered by the Competitiveness Fund; repealing the Maryland Small Business Development Financing Authority and certain related funds”; strike beginning with “altering” in line 17 down through “utilized;” in line 24; in line 26, strike “Job Creation Tax Credit;”; and strike beginning with “providing” in line 27 down through “date;” in line 29.

On page 2, strike beginning with “altering” in line 4 down through “clearances;” in line 9; in line 23, strike “2–113, 2–116, 2.5–106, 3–203, 3–401, 3–402, 3–411;”; in the same line, strike “, and 5–205”; in line 26, strike “through 5–321” and substitute “, 5–320, 5–321”; in line 34, after “5–575,” insert “5–1404(i), 5–2303, 5–2306,”; strike beginning with “5–1001” in line 34 down through “6–1007” in line 37 and substitute “10–106”; in line 37, strike “10–408(a);”; in the same line, after “10–470,” insert “and”; in line 38, strike “, 12–201(k) and (p), 12–207(b) and (e), and 16–102(d)(2)”; and strike beginning with “2.5–201” in line 43 down through “3–410;” in line 44.

On page 3, strike beginning with “, 5–1003” in line 3 down through “5–1007” in line 4 and substitute “, and 5–1404(h)”; in line 9, strike “3–201, 3–202, 3–403, 5–201, 5–203;”; in the same line, strike “5–323,” and substitute “5–323, 5–1404(a), 5–2302, 5–2304, and 5–2305”; strike in their entirety lines 10 and 11 and substitute “10–401(a) and (c), and 10–501(a) and (f)”; in line 16, strike “5–464;”; in the same line, strike “through 5–508” and substitute “and 5–507”; strike beginning with “, and” in line 16

SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 2 of 13

down through “10–101” in line 18; and strike in their entirety lines 33 through 41, inclusive.

On page 4, strike line 1 in its entirety; in line 9, strike “4–509, 6–404,” and substitute “6–404”; strike in their entirety lines 12 through 16, inclusive; in line 19, strike “9–1A–26(c)(2)(i) and”; and strike in their entirety lines 22 through 36, inclusive.

On page 5, in line 6, strike “10–730(a)(1), (4), and (7) and (b),”; in line 7, strike “and (3)(ii)2.J.”; in line 12, strike “10–730(f), 10–733(b)(4) and (d),”; in line 18, after the first “and” insert “(k) and”; in the same line, strike the second “and” and substitute a comma; in the same line, after “(j)” insert “,and (k)”; after line 20, insert:

“BY repealing and reenacting, without amendments,

Article - Tax - Property

Section 9-103.1(a)(1) and (6), (b), (c)(5), (e), and (f)

Annotated Code of Maryland

(2019 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article - Tax - Property

Section 9-103.1(a)(7), (c)(3), (4), and (6), and (d) and 9–229(c)(2) and (g)

Annotated Code of Maryland

(2019 Replacement Volume and 2024 Supplement)”;

and strike in their entirety lines 21 through 25, inclusive.

AMENDMENT NO. 2

On pages 6 through 17, strike in their entirety the lines beginning with line 15 on page 6 through line 25 on page 17, inclusive.

On pages 18 through 21, strike in their entirety the lines beginning with line 26 on page 18 through line 14 on page 21, inclusive.

**SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 3 of 13**

On page 30, strike beginning with the bracket in line 21 down through “Authority.” in line 25; in line 26, strike “(2)” and substitute “**(1)**”; in the same line, strike “Authority” and substitute “**DEPARTMENT**”; and strike beginning with the colon in line 26 down through “(ii)” in line 29.

On page 31, in line 2, strike “(3)” and substitute “**(2)**”; strike beginning with the bracket in line 4 down through “**ARTICLE.**” in line 7; and in line 9, strike “**ALSO**”.

On page 36, strike in their entirety lines 9 through 18, inclusive; and in line 28, strike “Authority” and substitute “**DEPARTMENT**”.

On page 40, in line 26, after “**FINANCING;**” insert “**AND**”; strike in their entirety lines 27 through 29, inclusive; and in line 30, strike “**(14)**” and substitute “**(13)**”.

On page 41, strike in their entirety lines 6 through 10, inclusive; and in line 19, strike “**5-508.**” and substitute “**5-507.**”.

On page 45, after line 12, insert:

5-508. RESERVED.;

strike line 14 in its entirety; and in lines 16 and 19, strike “**5-511.**” and “**5-512.**”, respectively, and substitute “**5-510.**” and “**5-511.**”, respectively.

On page 46, in line 27, strike “**5-513.**” and substitute “**5-512.**”; and in line 29, strike “**§ 5-514(A)**” and substitute “**§ 5-513(A)**”.

On page 47, in line 1, strike “**§ 5-514(B)**” and substitute “**§ 5-513(B)**”; in line 3, strike “**§ 5-514(C)**” and substitute “**§ 5-513(C)**”; and in line 5, strike “**5-514.**” and substitute “**5-513.**”.

(Over)

SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 4 of 13

On page 49, in line 9, strike “~~5-515.~~” and substitute “5-514.”.

On page 50, in line 9, strike “~~5-516.~~” and substitute “5-515.”; and in line 10, strike “~~§ 5-514~~” and substitute “§ 5-513”.

On page 51, in line 7, strike “~~5-517.~~” and substitute “5-516.”; in line 9, strike “~~§ 5-514(A)~~” and substitute “§ 5-513(A)”; and in line 11, strike “~~§ 5-514(C)~~” and substitute “§ 5-513(C)”.

On page 52, in lines 1, 12, 13, 15, and 18, strike “~~5-518.~~”, “~~5-519.~~”, “~~5-520.~~”, “~~5-521.~~”, and “~~5-522.~~”, respectively, and substitute “5-517.”, “5-518.”, “5-519.”, “5-520.”, and “5-521.”, respectively.

On page 53, in lines 20 and 27, strike “~~5-523.~~” and “~~5-524.~~”, respectively, and substitute “5-522.” and “5-523.”, respectively; in line 22, strike “~~§ 5-524(A)~~” and substitute “§ 5-523(A)”; and in line 24, strike “~~§ 5-524(B)~~” and substitute “§ 5-523(B)”.

On page 54, in line 2, strike “~~§ 5-525~~” and substitute “§ 5-524”; and in line 3, strike “~~§ 5-528~~” and substitute “§ 5-527”.

On page 55, in line 22, strike “~~5-525.~~” and substitute “5-524.”.

On page 56, in line 24, strike “~~5-526.~~” and substitute “5-525.”.

On page 57, in line 23, strike “~~5-527.~~” and substitute “5-526.”.

SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 5 of 13

On page 58, in lines 5, 16, 26, 27, and 29, strike “~~5-528.~~”, “~~5-529.~~”, “~~5-530.~~”, “~~5-531.~~”, and “~~5-532.~~”, respectively, and substitute “5-527.”, “5-528.”, “5-529.”, “5-530.”, and “5-531.”, respectively.

On page 59, in line 3, strike “~~§ 5-515~~” and substitute “§ 5-514”.

On page 60, in lines 4, 24, and 28, strike “~~5-533.~~”, “~~5-534.~~”, and “~~5-535.~~”, respectively, and substitute “5-532.”, “5-533.”, and “5-534.”, respectively.

On page 61, in line 11, strike “~~5-536.~~” and substitute “5-535.”.

On page 62, in line 25, strike “~~5-537.~~” and substitute “5-536.”.

On page 63, in line 10, strike “~~5-538.~~” and substitute “5-537.”.

On page 65, in lines 18, 27, 28, and 30, strike “~~5-539.~~”, “~~5-540.~~”, “~~5-541.~~”, and “~~5-542.~~”, respectively, and substitute “5-538.”, “5-539.”, “5-540.”, and “5-541.”, respectively.

On page 66, in line 6, strike “~~5-543.~~” and substitute “5-542.”.

On page 67, in lines 2, 13, and 27, strike “~~5-544.~~”, “~~5-545.~~”, and “~~5-546.~~”, respectively, and substitute “5-543.”, “5-544.”, and “5-545.”, respectively.

On page 68, in lines 12 and 22, strike “~~5-547.~~” and “~~5-548.~~”, respectively, and substitute “5-546.” and “5-547.”, respectively.

On page 69, in lines 4, 8, and 29, strike “~~5-549.~~”, “~~5-550.~~”, and “~~5-551.~~”, respectively, and substitute “5-548.”, “5-549.”, and “5-550.”, respectively.

(Over)

SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 6 of 13

On page 70, in line 25, strike “~~5-552.~~” and substitute “5-551.”.

On page 71, in line 6, strike “~~5-553.~~” and substitute “5-552.”.

On pages 71 through 80, strike in their entirety the lines beginning with line 18 on page 71 through line 28 on page 80.

On page 81, after line 3, insert:

“10-106.

(a) A Board of Directors shall manage the Corporation and exercise its powers.

(b) The Board consists of the following [12] members:

(1) as ex officio voting members:

(i) the Secretary; and

(ii) the Secretary of Transportation; [and]

(2) the following members, appointed by the Governor with the advice and consent of the Senate:

(i) two representatives of local government;

(ii) three members who are knowledgeable in real estate or commercial financing;

(iii) three members who are knowledgeable in industrial development or industrial relations; and

(iv) two members of the general public;

(3) ONE MEMBER OF THE GENERAL PUBLIC APPOINTED BY THE PRESIDENT OF THE SENATE; AND

SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 7 of 13

(4) ONE MEMBER OF THE GENERAL PUBLIC APPOINTED BY THE SPEAKER OF THE HOUSE.

(c) Each member of the Board shall be a resident of the State.

(d) In appointing Board members, the Governor shall consider geographic diversity and minority representation.

(e) (1) The term of an appointed member is 4 years.

(2) The terms of the appointed members are staggered as required by the terms provided for members of the Board on October 1, 2008.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(f) Before taking office, each member appointed to the Board shall take the oath required by Article 1, § 9 of the Maryland Constitution.”.

On page 86, strike in their entirety lines 3 through 7, inclusive; and in line 8, strike “(i)” and substitute “**(H)**”.

On page 87, strike beginning with the semicolon in line 25 down through “**ARTICLE**” in line 31.

On page 91, in line 9, strike the bracket; and strike beginning with the bracket in line 22 down through “**ARTICLE**” in line 24.

On pages 97 through 100, strike in their entirety the lines beginning with line 23 on page 97 through line 22 on page 100, inclusive.

(Over)

**SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 8 of 13**

On pages 104 through 106, strike in their entirety the lines beginning with line 9 on page 104 through line 11 on page 106, inclusive.

On pages 106 through 113, strike in their entirety the lines beginning with line 18 on page 106 through line 24 on page 113, inclusive.

On page 113, strike in their entirety lines 26 through 32, inclusive.

On page 114, in line 6, strike “**EQUALLY BETWEEN**” and substitute “**40% TO**”; in line 7, after “**AND**” insert “**60% TO**”; in lines 8 and 20, in each instance, strike the brackets; and in the same lines, in each instance, strike “**REINVEST FOR SUCCESS**”.

On pages 114 and 115, strike in their entirety the lines beginning with line 22 on page 114 through line 27 on page 115, inclusive.

On pages 117 and 118, strike in their entirety the lines beginning with line 19 on page 117 through line 19 on page 118, inclusive.

On page 121, strike beginning with “**IN**” in line 3 down through “**ARTICLE**” in line 4; and in lines 16 and 17, strike “**WITHIN TARGET INDUSTRIES AND SECTORS**”.

On page 126, in line 15, strike “**IF**” and substitute “**FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025,**”; and in lines 27 and 30, in each instance, strike the bracket.

On page 127, in line 7, strike “**IF**” and substitute “**FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025,**”; and after line 12, insert:

“(K) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025, THE COMPTROLLER SHALL PROVIDE THE MEANS FOR A QUALIFIED INVESTOR TO FILE THE INVESTOR’S RETURN ELECTRONICALLY.”

**SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 9 of 13**

On pages 127 through 131, strike in their entirety the lines beginning with line 13 on page 127 through line 23 on page 131, inclusive.

On page 133, in line 25, strike “**IF**” and substitute “**FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025,**”.

On page 134, in line 22, strike “**IF**” and substitute “**FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025,**”; and after line 29, insert:

“(K) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025, THE COMPTROLLER SHALL PROVIDE THE MEANS FOR A QUALIFIED INVESTOR TO FILE THE INVESTOR’S RETURN ELECTRONICALLY.”

On page 138, after line 1, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – Property

9–103.1.

- (a) (1) In this section the following words have the meanings indicated.**
- (6) “Qualified property” means real property that is:**
 - (i) located in a RISE zone;**
 - (ii) not used for residential purposes; and**

(Over)

SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 10 of 13

(iii) used in a trade or business by a business entity that locates in the RISE zone before January 1, 2023.

(7) “RISE zone” has the meaning stated in [§ 5–1401] § 10–137 of the Economic Development Article.

(b) The governing body of a county or of a municipal corporation shall grant a tax credit under this section against the property tax imposed on the eligible assessment of qualified property.

(c) (3) [For] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, FOR purposes of calculating the amount of the credit allowed under this section, the amount of property tax imposed on the eligible assessment shall be calculated without reduction for any credits allowed under this title.

(4) (i) For qualified property located in an enterprise zone designated under Title 5, Subtitle 7 of the Economic Development Article, the appropriate governing body shall calculate the amount of the tax credit under this section equal to 80% of the amount of property tax imposed on the eligible assessment of the qualified property, AFTER FIRST APPLYING ANY CREDITS REQUIRED UNDER § 9–103 OF THIS SUBTITLE, for each of the 5 taxable years following the calendar year in which the property initially becomes a qualified property.

(ii) For qualified property located in a focus area designated under § 5–706 of the Economic Development Article, the appropriate governing body shall calculate the amount of the tax credit under this section equal to 100% of the amount of property tax imposed on the eligible assessment of the qualified property, AFTER FIRST APPLYING ANY CREDITS REQUIRED UNDER § 9–103 OF THIS SUBTITLE, for each of the 5 taxable years following the calendar year in which the property initially becomes a qualified property.

SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 11 of 13

(iii) 1. If a business entity is certified as consistent with the target strategy of the RISE zone and the qualified property is located in an enterprise zone or focus area, the amount of the required reimbursement under § 9–103(h) of this subtitle may only be for the amount required for the required property tax credits under § 9–103 of this subtitle.

2. The property tax credits required under subparagraphs (i) and (ii) of this paragraph do not alter the amount of funds required to be reimbursed under § 9–103(h) of this subtitle.

3. IF A BUSINESS ENTITY IS CERTIFIED AS CONSISTENT WITH THE TARGET STRATEGY OF THE RISE ZONE AND THE QUALIFIED PROPERTY IS LOCATED IN AN ENTERPRISE ZONE OR FOCUS AREA, THE BUSINESS ENTITY MAY CONCURRENTLY CLAIM THE PROPERTY TAX CREDITS UNDER THIS SECTION AND § 9–103 OF THIS SUBTITLE, PROVIDED THAT THE TOTAL PROPERTY TAX CREDITS IN ANY TAXABLE YEAR MAY NOT EXCEED 100% OF THE PROPERTY TAX THAT WOULD OTHERWISE BE DUE TO THE STATE AND LOCAL JURISDICTION.

4. THE CONCURRENT APPLICATION OF PROPERTY TAX CREDITS UNDER THIS SECTION MAY NOT ALTER THE TIME LIMITATION ON THE AVAILABILITY OF ANY PROPERTY TAX CREDIT.

(5) The governing body of a county or municipal corporation may increase, by local law, the percentage under paragraph (1) of this subsection.

(6) (i) If a RISE zone is renewed as provided under [§ 5–1404] § 10–140 of the Economic Development Article, the governing body of a county or municipal corporation shall calculate the amount of the tax credit under this section equal to at least 10% of the amount of property tax imposed on the eligible assessment of the

(Over)

qualified property, AFTER FIRST APPLYING ANY CREDITS REQUIRED UNDER § 9-103 OF THIS SUBTITLE, for the sixth through tenth taxable years.

(ii) The governing body of a county or municipal corporation may increase, by local law, the percentage under subparagraph (i) of this paragraph.

(d) (1) Except as provided in subsection (c)(6) of this section, a tax credit under this section is available to a qualified property for no more than 5 consecutive years beginning with:

(I) the taxable year following the calendar year in which the real property initially becomes a qualified property; OR

(II) THE TAXABLE YEAR IN WHICH THE REAL PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY, SUBJECT TO THE APPROVAL OF THE APPROPRIATE LOCAL GOVERNING BODY AND THE DEPARTMENT OF COMMERCE.

(2) If the designation of a RISE zone expires, the tax credit under this section continues to be available to a qualified property.

(3) State property tax imposed on real property is not affected by this section.

(e) When a Regional Institution Strategic Enterprise zone is designated by the Secretary of Commerce, the Secretary shall certify to the State Department of Assessments and Taxation:

(1) the real properties in the zone that are qualified properties for each taxable year for which the property tax credit under this section is to be granted; and

SB0427/973829/01 Budget and Taxation Committee
Amendments to SB 427
Page 13 of 13

(2) the date that the real properties became qualified properties.

(f) Before property tax bills are sent, the State Department of Assessments and Taxation shall submit to the Secretary of Commerce a list containing:

(1) the location of each qualified property;

(2) the amount of the base year value for each qualified property; and

(3) the amount of the eligible assessment for each qualified property.

SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:".

On page 139, in line 5, strike "4." and substitute "6."; strike in their entirety lines 14 through 20, inclusive; in lines 21, 27, 29, and 31, strike "6.", "7.", "8.", and "9.", respectively, and substitute "7.", "8.", "9.", and "10.", respectively; strike beginning with "take" in line 29 down through "2025." in line 30 and substitute "be applicable to all taxable years beginning after June 30, 2025."; in lines 31 and 32, strike ", except as provided in Section 8 of this Act," and substitute "Sections 1, 2, 3, and 5 of"; and after line 32, insert:

"SECTION 11. AND BE IT FURTHER ENACTED, That, except as provided in Section 10 of this Act, this Act shall take effect June 1, 2025."