

HOUSE BILL 750

Q2

5lr2586
CF SB 596

By: **Washington County Delegation**

Introduced and read first time: January 27, 2025

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Washington County – Property Tax Credit – Economic Development Projects**

3 FOR the purpose of altering eligibility requirements for a certain property tax credit for
4 certain business entities that invest a certain amount in certain real property in
5 Washington County and create a certain number of new and permanent full-time
6 jobs in the county; altering the amount and duration of the property tax credit; and
7 generally relating to a property tax credit for business entities that invest in real
8 property and create jobs in Washington County.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 9–323(f)
12 Annotated Code of Maryland
13 (2019 Replacement Volume and 2024 Supplement)

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

16 **Article – Tax – Property**

17 9–323.

18 (f) (1) (i) In this subsection the following words have the meanings
19 indicated.

20 (ii) “Affiliate” means a person:

21 1. that directly or indirectly owns at least 80% of a business
22 entity; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (VI) “NEW, RENOVATED, OR EXPANDED PREMISES” MEANS
2 COMMERCIAL OR INDUSTRIAL REAL PROPERTY, INCLUDING A BUILDING OR PART OF
3 A BUILDING THAT HAS NOT BEEN PREVIOUSLY OCCUPIED, WHERE A BUSINESS
4 ENTITY OR ITS AFFILIATES LOCATE TO CONDUCT BUSINESS.

5 (2) The governing body of Washington County may grant, by law, a
6 property tax credit against the county property tax imposed on real property owned or
7 leased by a business entity that meets the requirements specified for the property tax credit
8 under this subsection.

9 (3) To qualify for a property tax credit under this subsection, before a
10 business entity meets the requirements specified for the property tax credit under
11 paragraph (4) of this subsection, the business entity shall provide written notification to
12 the governing body of Washington County stating:

13 (i) that the business entity intends to claim the property tax credit;
14 and

15 (ii) when the business entity expects to meet the requirements
16 specified for the property tax credit under paragraph (4) of this subsection.

17 (4) To qualify for a property tax credit under this subsection:

18 (i) an existing business entity in the county shall:

19 1. obtain at least an additional 1,500 square feet of new,
20 **RENOVATED**, or expanded premises by purchasing newly constructed premises,
21 constructing new premises, causing new premises to be constructed, **RENOVATING**
22 **EXISTING PREMISES**, or leasing previously unoccupied premises; and

23 2. employ at least [one individual] **FIVE INDIVIDUALS** in [a]
24 new permanent full-time [position] **POSITIONS** during a 12-month period, during which
25 period the business entity also must obtain and occupy the new, **RENOVATED**, or expanded
26 premises;

27 (ii) a new business entity locating in the county shall:

28 1. obtain at least 2,500 square feet of new, **RENOVATED**, or
29 expanded premises by purchasing newly constructed premises, constructing new premises,
30 causing new premises to be constructed, **RENOVATING EXISTING PREMISES**, or leasing
31 previously unoccupied premises; and

32 2. employ at least [five] **25** individuals in new permanent
33 full-time positions during a 24-month period, during which period the business entity also
34 must obtain and occupy the new, **RENOVATED**, or expanded premises; or

1 (iii) a new business entity locating in the county or an existing
2 business entity in the county shall:

3 1. invest at least ~~[\$10,000,000]~~ **\$20,000,000** in capital
4 improvements in the county by purchasing newly constructed premises, constructing new
5 premises, causing new premises to be constructed, **RENOVATING EXISTING PREMISES**, or
6 leasing previously unoccupied premises; and

7 2. as a result of the capital improvements specified in item 1
8 of this item, create ~~[100]~~ **200** new permanent full-time positions.

9 (5) (i) If an existing business entity in the county meets the
10 requirements of paragraph (4)(i) of this subsection, the property tax credit granted under
11 this subsection shall equal a percentage of the amount of property tax imposed on the
12 assessment of the new, **RENOVATED**, or expanded premises, as follows:

13 1. ~~[52%]~~ **55%** in the first ~~[and second taxable years]~~
14 **TAXABLE YEAR;**

15 2. ~~[39%]~~ **40%** in the ~~[third and fourth taxable years]~~
16 **SECOND TAXABLE YEAR;** and

17 3. ~~[26%]~~ **25%** in the ~~[fifth and sixth taxable years]~~ **THIRD**
18 **TAXABLE YEAR.**

19 (ii) If a new business entity locating in the county meets the
20 requirements of paragraph (4)(ii) of this subsection, the property tax credit granted under
21 this subsection shall equal a percentage of the amount of property tax imposed on the
22 assessment of the new, **RENOVATED**, or expanded premises, as follows:

23 1. ~~[30%]~~ **55%** in the first and second taxable years;

24 2. ~~[20%]~~ **40%** in the third and fourth taxable years; and

25 3. ~~[10%]~~ **25%** in the fifth and sixth taxable years.

26 (iii) If a new or existing business entity in the county meets the
27 requirements of paragraph (4)(iii) of this subsection, the property tax credit granted under
28 this subsection shall equal a percentage of the amount of county property tax imposed on
29 the assessment of the new, **RENOVATED**, or expanded premises, as follows:

30 1. ~~[100%]~~ **75%** for each of the first 5 taxable years;

