AN ACT establishing a personal property tax exemption on the personal property of a Qualified Data Center; defining certain terms; providing for certain amounts of property tax exemptions under certain conditions; requiring a certain report; providing for an application procedure; and generally relating to personal property tax exemptions.
Section 1. Be It Enacted by the County Council of Howard County, Maryland, that the Howard County Code is amended as follows:

By adding:

Title 20. Taxes, charges and fees.
Subtitle 2. Personal Property Tax.

Section 20.208. Personal Property Tax; Exemption for Qualified Data Center personal property.

Title 20. Taxes, charges and fees.
Subtitle 2. Personal Property Tax.

Section 20.208. PERSONAL PROPERTY TAX; EXEMPTION FOR QUALIFIED DATA CENTER PERSONAL PROPERTY.

(A) AUTHORITY: This Act is authorized under Section 7-246 of the Tax-Property Article of the Annotated Code of Maryland, which authorizes a County to reduce or eliminate, by law, the percentage of the assessment of any Qualified Data Center personal property used in a Qualified Data Center that is subject to the County property tax that qualifies under this section.

(B) DEFINITIONS. In this section, the following terms shall have the meanings indicated:

(1) "QUALIFIED DATA CENTER" shall have the meaning stated in Section 11-236 of the Tax-General Article of the Annotated Code of Maryland.

(2) "QUALIFIED DATA CENTER PERSONAL PROPERTY" shall have the meaning stated in Section 11-236 of the Tax-General Article of the Annotated Code of Maryland.

(C) EXEMPTION FROM PROPERTY TAX. Eligible Qualified Data Center personal property is subject to a partial or complete exemption from the County's personal property tax.

(D) ELIGIBILITY AND AMOUNT OF PROPERTY TAX EXEMPTION.

(1) Projects with $250 million or more of investment and that create a total of 10 jobs or more may qualify:
(I) For a 10 year personal property tax abatement as follows:

A. Years one through five - up to 100% abatement in personal property tax; and

B. Years six through ten - up to 90% abatement in personal property tax; and

(II) For an option of two five-year extensions up to 80% abatement based on performance metrics, including maintenance of or increase of level of investment, employment and overall positive economic impact to Howard County.

(2) Projects with $50 million or more of investment made and that create a total of five jobs or more may qualify:

(i) For a 10 year tax personal property abatement, with

A. Years one through five - up to 90% abatement in personal property tax; and

B. Years six through ten - up to 80% abatement in personal property tax; and

(ii) For an option of one five-year extension up to 80% abatement based on performance metrics, including maintenance of or increase of level of investment, employment and overall positive economic impact to Howard County.

(E) Annual Report: Subject to section 22.1000 of the County Code, the Economic Development Authority shall report annually to the County Executive and the County Council concerning the implementation of the property tax exemption under this section which shall:

(1) Be submitted no later than September first of each year; and

(2) Include, for each recipient of an exemption under this section during the previous fiscal year:

(i) The name of the recipient;

(ii) The number of jobs created and currently occupied as a result of the activity that qualified the recipient for the exemption and the salary for each such job; and
(III) The amount of the exemption granted.

(F) Procedures.

(1) The Economic Development Authority and the Department of Finance shall develop an application form and establish procedures to administer the property tax exemption under this section.

(2) A Qualified Data Center may apply for the property tax exemption to the Economic Development Authority. For tax years beginning January 1, 2021 and thereafter, applications for the credit shall be submitted no later than April 1 for the first tax year for which the exemption is being requested.

(3) The Economic Development Authority and the County Executive shall evaluate the application under criteria established by the Authority, and may deny or approve the application, subject to any terms and conditions as required under the criteria.

(4) If an application is approved it shall be forwarded to the Director of Finance and the Director of Finance shall process the application for property tax abatement.

Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland, that a copy of this Act shall be sent to the Maryland Department of Assessments and Taxation.

Section 3. And Be It Further Enacted by the County Council of Howard County, Maryland, that this Act shall become effective 61 days after its enactment.
BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on July 30, 2020.

Diane Schwartz Jones, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on __________________, 2020.

Diane Schwartz Jones, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on __________________, 2020.

Diane Schwartz Jones, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on __________________, 2020.

Diane Schwartz Jones, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on __________________, 2020.

Diane Schwartz Jones, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on __________________, 2020.

Diane Schwartz Jones, Administrator to the County Council