

# HOUSE BILL 795

C8, M3, Q3

11r2656  
CF SB 646

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By: **Delegates Summers, Davis, Ivey, A. Miller, Mitchell, Nathan-Pulliam, and Vaughn**

Introduced and read first time: February 11, 2011

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Green Business Incentive Zones**

3 FOR the purpose of authorizing the creation of green business incentive zones in the  
4 State; establishing eligibility criteria and factors to be considered by the  
5 Secretary of Business and Economic Development in approving the zones;  
6 establishing procedures for applying for establishment of the zones and the  
7 benefits available in the zones; limiting the number of zones that can be created  
8 in a calendar year; authorizing the Secretary to adopt certain regulations to  
9 carry out certain provisions of this Act; requiring the Department of Business  
10 and Economic Development to consider whether a project is located in certain  
11 areas when considering whether to provide financial assistance to the project;  
12 requiring the Secretary and the State Comptroller to assess annually the  
13 effectiveness of certain tax credits provided to certain businesses located in a  
14 green business incentive zone and submit a certain report; establishing a  
15 certain credit against the State income tax for certain businesses located in a  
16 green business incentive zone; establishing a certain credit against certain  
17 property taxes imposed on certain real property located in a green business  
18 incentive zone; requiring a local governing body to certify to the Department of  
19 Assessments and Taxation the real properties in a zone that qualify for a tax  
20 credit and the date of qualification; requiring the Department to submit certain  
21 information to a local governing body before tax bills are sent; requiring the  
22 State to remit funds to a county or municipal corporation to offset a certain  
23 amount of property tax revenues not collected by the county or municipal  
24 corporation because of the property tax credit; defining certain terms; and  
25 generally relating to green business incentive zones and the benefits available  
26 in green business incentive zones.

27 BY repealing and reenacting, with amendments,  
28 Article – Economic Development  
29 Section 5–102 and 5–105

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2008 Volume and 2010 Supplement)

3 BY adding to  
4 Article – Economic Development  
5 Section 5–1401 through 5–1408 to be under the new subtitle “Subtitle 14. Green  
6 Business Incentive Zones”  
7 Annotated Code of Maryland  
8 (2008 Volume and 2010 Supplement)

9 BY adding to  
10 Article – Tax – General  
11 Section 10–702.1  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume)

14 BY adding to  
15 Article – Tax – Property  
16 Section 9–103.1  
17 Annotated Code of Maryland  
18 (2007 Replacement Volume and 2010 Supplement)

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

21 **Article – Economic Development**

22 5–102.

23 The Department shall administer the State’s economic development and  
24 financial assistance programs and funds including:

25 (1) the BRAC Revitalization and Incentive Zone Program, under  
26 Subtitle 13 of this title;

27 (2) the Enterprise Fund, under Subtitle 6 of this title;

28 (3) the Enterprise Zones Program, under Subtitle 7 of this title;

29 (4) the Maryland Economic Adjustment Fund, under Subtitle 2 of this  
30 title;

31 (5) the Maryland Economic Development Assistance Authority and  
32 Fund, under Subtitle 3 of this title;

33 (6) the Maryland Industrial Development Financing Authority, under  
34 Subtitle 4 of this title;

1 (7) the Maryland Small Business Development Financing Authority,  
2 under Subtitle 5 of this title;

3 (8) **THE GREEN BUSINESS INCENTIVE ZONES PROGRAM UNDER**  
4 **SUBTITLE 14 OF THIS TITLE;**

5 (9) the Appalachian Regional Development Program, under Title 13,  
6 Subtitle 1 of this article;

7 [(9)] (10) jointly with the Department of Housing and Community  
8 Development, the Community Development Block Grant for Economic Development;  
9 and

10 [(10)] (11) any other programs or funds designated by statute, the  
11 Governor, or the Secretary.

12 5–105.

13 When deciding whether to provide financial assistance for a business project,  
14 the Department shall consider whether the project will be located:

15 (1) in an enterprise zone or a focus area as designated under Subtitle  
16 7 of this title; [or]

17 (2) in a BRAC Revitalization and Incentive Zone as designated under  
18 Subtitle 13 of this title; **OR**

19 (3) **IN A GREEN BUSINESS INCENTIVE ZONE AS DESIGNATED**  
20 **UNDER SUBTITLE 14 OF THIS TITLE.**

21 **SUBTITLE 14. GREEN BUSINESS INCENTIVE ZONES.**

22 **5–1401.**

23 (A) **IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
24 **INDICATED.**

25 (B) **“AREA” MEANS A GEOGRAPHIC AREA IN ONE OR MORE POLITICAL**  
26 **SUBDIVISIONS IN THE STATE DESCRIBED BY A CLOSED PERIMETER BOUNDARY.**

27 (C) **“GREEN BUSINESS” MEANS A BUSINESS ENTITY THAT IS PRIMARILY**  
28 **ENGAGED IN RESEARCHING, MANUFACTURING, OR DEPLOYING:**

29 (1) **RENEWABLE ENERGY TECHNOLOGIES OR SERVICES;**

1           **(2) ENERGY STORAGE TECHNOLOGIES OR SERVICES;**

2           **(3) ENERGY EFFICIENCY AND CONSERVATION TECHNOLOGIES OR**  
3 **SERVICES; OR**

4           **(4) OTHER TECHNOLOGIES OR SERVICES THAT CONTRIBUTE**  
5 **DIRECTLY OR INDIRECTLY TO:**

6                   **(I) THE PRODUCTION OF ENERGY FROM RENEWABLE OR**  
7 **SUSTAINABLE SOURCES; OR**

8                   **(II) THE IMPROVEMENT OF EFFICIENCY IN THE USE OF**  
9 **ENERGY.**

10           **(D) “GREEN BUSINESS INCENTIVE ZONE” MEANS AN AREA THAT:**

11                   **(1) MEETS THE REQUIREMENTS OF § 5–1403 OF THIS SUBTITLE;**  
12 **AND**

13                   **(2) IS DESIGNATED AS A GREEN BUSINESS INCENTIVE ZONE BY**  
14 **THE SECRETARY UNDER § 5–1404 OF THIS SUBTITLE.**

15           **(E) “POLITICAL SUBDIVISION” MEANS ANY COUNTY OR MUNICIPAL**  
16 **CORPORATION.**

17 **5–1402.**

18           **(A) THE FOLLOWING POLITICAL SUBDIVISIONS MAY APPLY TO THE**  
19 **SECRETARY TO DESIGNATE A GREEN BUSINESS INCENTIVE ZONE:**

20                   **(1) A POLITICAL SUBDIVISION FOR AN AREA WITHIN THAT**  
21 **POLITICAL SUBDIVISION;**

22                   **(2) WITH THE PRIOR CONSENT OF THE MUNICIPAL**  
23 **CORPORATION, A COUNTY ON BEHALF OF A MUNICIPAL CORPORATION FOR AN**  
24 **AREA IN THE MUNICIPAL CORPORATION; OR**

25                   **(3) TWO OR MORE POLITICAL SUBDIVISIONS JOINTLY FOR AN**  
26 **AREA ASTRIDE THEIR COMMON BOUNDARIES.**

27           **(B) THE APPLICATION SHALL:**

28                   **(1) BE IN THE FORM AND MANNER AND CONTAIN THE**  
29 **INFORMATION THAT THE SECRETARY REQUIRES BY REGULATION;**

1           (2) CONTAIN SUFFICIENT INFORMATION TO ALLOW THE  
2 SECRETARY TO DETERMINE IF THE PROPOSED GREEN BUSINESS INCENTIVE  
3 ZONE MEETS THE CRITERIA IN § 5-1403 OF THIS SUBTITLE;

4           (3) BE SUBMITTED FOR A POLITICAL SUBDIVISION BY ITS CHIEF  
5 ELECTED OFFICER, OR IF NONE, ITS GOVERNING BODY;

6           (4) STATE WHETHER THE POLITICAL SUBDIVISION WILL  
7 ESTABLISH EXPEDITED PERMITTING PROCESSES FOR GREEN BUSINESSES  
8 LOCATED OR TO BE LOCATED IN THE PROPOSED GREEN BUSINESS INCENTIVE  
9 ZONE; AND

10           (5) STATE THE STANDARDS ESTABLISHED BY THE POLITICAL  
11 SUBDIVISION THAT A GREEN BUSINESS SHALL MEET BEFORE RECEIVING THE  
12 INCENTIVES AND INITIATIVES UNDER § 5-1403 OF THIS SUBTITLE, WHICH  
13 SHALL INCLUDE A REQUIREMENT THAT A GREEN BUSINESS PROVIDE JOB  
14 TRAINING, INTERNSHIP, OR APPRENTICESHIP PROGRAMS.

15 **5-1403.**

16           (A) THE SECRETARY MAY DESIGNATE AN AREA AS A GREEN BUSINESS  
17 INCENTIVE ZONE ONLY IF THE AREA:

18           (1) IS LOCATED WITHIN A PRIORITY FUNDING AREA AS DEFINED  
19 BY TITLE 5, SUBTITLE 7B OF THE STATE FINANCE AND PROCUREMENT  
20 ARTICLE;

21           (2) IS SERVED BY A PUBLIC OR COMMUNITY WATER AND SEWER  
22 SYSTEM OR PLANNED TO BE SERVED BY A PUBLIC OR COMMUNITY WATER AND  
23 SEWER SYSTEM UNDER THE APPROVED 10-YEAR WATER AND SEWER PLAN;

24           (3) IS DESIGNATED FOR MIXED USE DEVELOPMENT THAT  
25 INCLUDES RESIDENTIAL USES AS PART OF THE MIX OF LAND USES BY THE  
26 POLITICAL SUBDIVISION; AND

27           (4) HAS AN AVERAGE DENSITY OF AT LEAST 3.5 UNITS PER ACRE,  
28 CALCULATED IN ACCORDANCE WITH § 5-7B-03 OF THE STATE FINANCE AND  
29 PROCUREMENT ARTICLE, IN THAT PART OF THE AREA DESIGNATED BY THE  
30 POLITICAL SUBDIVISION FOR RESIDENTIAL USE OR DEVELOPMENT.

31           (B) THE SECRETARY SHALL CONSIDER THE FOLLOWING FACTORS IN  
32 DETERMINING WHETHER TO DESIGNATE AN AREA AS A GREEN BUSINESS  
33 INCENTIVE ZONE:

1           **(1) WHETHER THE AREA'S DESIGNATION AS A GREEN BUSINESS**  
2 **INCENTIVE ZONE IS CONSISTENT WITH THE POLITICAL SUBDIVISION'S**  
3 **COMPREHENSIVE PLAN;**

4           **(2) WHETHER THE POLITICAL SUBDIVISION HAS TARGETED THE**  
5 **AREA FOR REVITALIZATION AS PROVIDED FOR IN THE POLITICAL SUBDIVISION'S**  
6 **COMPREHENSIVE PLAN OR IN ANOTHER PLAN OR LOCAL LAW;**

7           **(3) THE AVAILABILITY, COST, AND CONDITION OF BUSINESS**  
8 **FACILITIES;**

9           **(4) THE NUMBER AND AGE OF ABANDONED STRUCTURES;**

10          **(5) THE NUMBER AND AGE OF SUBSTANDARD STRUCTURES;**

11          **(6) THE INCOME OF RESIDENTS RELATIVE TO THE STATE OR**  
12 **REGIONAL MEDIAN INCOMES, INCLUDING THE NUMBER OF PERSONS WHO**  
13 **RECEIVE PUBLIC ASSISTANCE OR ARE UNEMPLOYED;**

14          **(7) THE EXTENT OF UNEMPLOYMENT AND THE ABILITY TO**  
15 **UPGRADE THE SOCIAL AND ECONOMIC CONDITIONS OF THE AREA;**

16          **(8) THE NEED FOR FINANCING FOR SMALL BUSINESSES TO**  
17 **UPGRADE THE SOCIAL AND ECONOMIC CONDITIONS OF THE AREA;**

18          **(9) ANY PLANS AND FINANCIAL COMMITMENTS OF LOCAL**  
19 **JURISDICTIONS TO UNDERTAKE IMPROVEMENTS IN THE PROPOSED AREA;**

20          **(10) THE PRESENCE OF A SPECIAL TAXING DISTRICT, A HISTORIC**  
21 **DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES, OR A**  
22 **LOCAL HISTORIC DISTRICT;**

23          **(11) SUPPORT FROM COMMUNITY OR BUSINESS ORGANIZATIONS;**

24          **(12) OTHER REVITALIZATION PROJECTS UNDERTAKEN IN THE**  
25 **PROPOSED AREA;**

26          **(13) A POLITICAL SUBDIVISION'S PARTICIPATION IN WORKFORCE**  
27 **READINESS PROGRAMS;**

28          **(14) A POLITICAL SUBDIVISION'S PARTICIPATION IN THE**  
29 **CREATION OF AFFORDABLE AND WORKFORCE HOUSING OPTIONS FOR**  
30 **RESIDENTS;**

1           **(15) WHETHER THE POLITICAL SUBDIVISION HAS ACTED TO**  
2 **PROVIDE FOR THE ADEQUATE PROTECTION AND CONSERVATION OF VITAL**  
3 **NATURAL RESOURCE AREAS AND AGRICULTURAL AREAS WITHIN THE POLITICAL**  
4 **SUBDIVISION’S COMPREHENSIVE PLAN OR IN ANOTHER LOCAL GOVERNMENT**  
5 **PLAN OR LOCAL LAW;**

6           **(16) THE PRESENCE OF SENSITIVE AREAS, AS DEFINED IN ARTICLE**  
7 **66B, § 1.00(J) OF THE CODE; AND**

8           **(17) THE FISCAL IMPACT OF THE DESIGNATION OF THE GREEN**  
9 **BUSINESS INCENTIVE ZONE ON THE STATE.**

10 **5-1404.**

11           **(A) (1) WITHIN 60 DAYS AFTER A SUBMISSION DATE OF APRIL 15 OR**  
12 **OCTOBER 15, THE SECRETARY MAY DESIGNATE ONE OR MORE GREEN BUSINESS**  
13 **INCENTIVE ZONES FROM AMONG THE AREAS DESCRIBED IN TIMELY SUBMITTED**  
14 **APPLICATIONS.**

15           **(2) THE DESIGNATION OF AN AREA AS A GREEN BUSINESS**  
16 **INCENTIVE ZONE IS EFFECTIVE FOR 10 YEARS.**

17           **(3) THE SECRETARY MAY NOT DESIGNATE MORE THAN SIX GREEN**  
18 **BUSINESS INCENTIVE ZONES IN A CALENDAR YEAR.**

19           **(4) A COUNTY MAY NOT RECEIVE MORE THAN ONE GREEN**  
20 **BUSINESS INCENTIVE ZONE IN A CALENDAR YEAR.**

21           **(B) BEFORE DESIGNATING A GREEN BUSINESS INCENTIVE ZONE, THE**  
22 **SECRETARY SHALL CONSULT WITH THE CLEAN ENERGY CENTER.**

23           **(C) THE DESIGNATION OF THE SECRETARY IS FINAL.**

24           **(D) AT ANY TIME, A POLITICAL SUBDIVISION MAY REAPPLY TO THE**  
25 **SECRETARY TO DESIGNATE AS A GREEN BUSINESS INCENTIVE ZONE AN AREA**  
26 **THAT IS NOT DESIGNATED.**

27 **5-1405.**

28           **(A) A POLITICAL SUBDIVISION MAY APPLY TO THE SECRETARY TO**  
29 **EXPAND AN EXISTING GREEN BUSINESS INCENTIVE ZONE IN THE SAME MANNER**  
30 **AS THE POLITICAL SUBDIVISION WOULD APPLY TO DESIGNATE A NEW GREEN**  
31 **BUSINESS INCENTIVE ZONE.**

1           **(B) THE SECRETARY MAY GRANT AN EXPANSION OF A GREEN BUSINESS**  
2 **INCENTIVE ZONE INTO AN AREA THAT MEETS THE REQUIREMENTS OF § 5-1403**  
3 **OF THIS SUBTITLE.**

4           **(C) FOR PURPOSES OF § 5-1404 OF THIS SUBTITLE, AN EXPANSION OF A**  
5 **GREEN BUSINESS INCENTIVE ZONE THAT DOES NOT EXCEED 50% OF THE**  
6 **EXISTING GEOGRAPHIC AREA OF THE GREEN BUSINESS INCENTIVE ZONE DOES**  
7 **NOT COUNT TOWARDS THE LIMIT ON THE NUMBER OF GREEN BUSINESS**  
8 **INCENTIVE ZONES THAT:**

9                   **(1) THE SECRETARY MAY DESIGNATE IN A CALENDAR YEAR; OR**

10                   **(2) A COUNTY MAY RECEIVE IN A CALENDAR YEAR.**

11 **5-1406.**

12           **(A) TO THE EXTENT PROVIDED FOR IN THIS SECTION, A GREEN**  
13 **BUSINESS IS ENTITLED TO:**

14                   **(1) THE SPECIAL PROPERTY TAX CREDIT IN § 9-103.1 OF THE TAX**  
15 **- PROPERTY ARTICLE;**

16                   **(2) THE INCOME TAX CREDITS IN § 10-702.1 OF THE TAX -**  
17 **GENERAL ARTICLE; AND**

18                   **(3) CONSIDERATION FOR FINANCIAL ASSISTANCE FROM**  
19 **PROGRAMS IN SUBTITLE 1 OF THIS TITLE.**

20           **(B) A GREEN BUSINESS THAT MOVES INTO OR LOCATES IN A GREEN**  
21 **BUSINESS INCENTIVE ZONE ON OR AFTER THE DATE THAT THE GREEN BUSINESS**  
22 **INCENTIVE ZONE IS DESIGNATED UNDER § 5-1404 OF THIS SUBTITLE MAY**  
23 **BENEFIT FROM THE INCENTIVES AND INITIATIVES IN THIS SECTION IF:**

24                   **(1) THE GREEN BUSINESS MEETS THE REQUIREMENTS AND**  
25 **CONDITIONS OF THE CODE SECTION APPLICABLE TO EACH INCENTIVE OR**  
26 **INITIATIVE;**

27                   **(2) THE RESPECTIVE POLITICAL SUBDIVISION CERTIFIES THAT**  
28 **THE GREEN BUSINESS HAS COMPLIED WITH THE STANDARDS THAT THE**  
29 **POLITICAL SUBDIVISION SUBMITTED UNDER § 5-1402(B)(5) OF THIS SUBTITLE;**

30                   **(3) THE GREEN BUSINESS CREATES NEW OR ADDITIONAL JOBS OR**  
31 **MAKES A CAPITAL INVESTMENT TO QUALIFY FOR THE PROPERTY TAX CREDIT**



1 UNDER § 9-103.1 OF THE TAX – PROPERTY ARTICLE AND THE INCOME TAX  
2 CREDITS UNDER § 10-702.1 OF THE TAX – GENERAL ARTICLE; AND

3 (4) IN CONSIDERING WHETHER THE GREEN BUSINESS QUALIFIES  
4 FOR FINANCIAL ASSISTANCE FROM THE PROGRAMS IN SUBTITLE 1 OF THIS  
5 TITLE, THE SECRETARY DETERMINES THAT THE GREEN BUSINESS WILL CREATE  
6 NEW OR ADDITIONAL JOBS.

7 (C) THE INCENTIVES AND INITIATIVES PROVIDED FOR IN THIS SECTION  
8 ARE NOT AVAILABLE TO A GREEN BUSINESS THAT WAS IN A GREEN BUSINESS  
9 INCENTIVE ZONE BEFORE THE DATE THAT THE GREEN BUSINESS INCENTIVE  
10 ZONE IS DESIGNATED, EXCEPT FOR A CAPITAL INVESTMENT OR EXPANSION OF  
11 ITS LABOR FORCE THAT OCCURS ON OR AFTER THE GREEN BUSINESS  
12 INCENTIVE ZONE IS DESIGNATED.

13 (D) (1) EXCEPT AS PROVIDED IN § 10-702.1 OF THE TAX – GENERAL  
14 ARTICLE AND § 9-103.1 OF THE TAX – PROPERTY ARTICLE, THE INCENTIVES  
15 AND INITIATIVES SET FORTH IN THIS SECTION ARE AVAILABLE FOR 10 YEARS  
16 AFTER THE DATE THAT AN AREA IS DESIGNATED A GREEN BUSINESS INCENTIVE  
17 ZONE.

18 (2) A LAW ENACTED AFTER THE ENACTMENT OF THIS SECTION  
19 THAT ELIMINATES OR REDUCES THE BENEFITS AVAILABLE TO A GREEN  
20 BUSINESS UNDER THIS SECTION DOES NOT APPLY TO A BUSINESS ENTITY THAT,  
21 BEFORE THE EFFECTIVE DATE OF THE LAW:

22 (I) WAS LOCATED IN A GREEN BUSINESS INCENTIVE ZONE;  
23 AND

24 (II) MET THE DEFINITION OF A GREEN BUSINESS UNDER §  
25 5-1401 OF THIS SUBTITLE.

26 (E) (1) (I) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION,  
27 A GREEN BUSINESS LOCATED IN A GREEN BUSINESS INCENTIVE ZONE MAY NOT  
28 RECEIVE THE INCENTIVES AND INITIATIVES SET FORTH IN SUBSECTION (A)(1)  
29 AND (2) OF THIS SECTION IF THE BUSINESS IS LOCATED ON LAND OR WITHIN  
30 IMPROVEMENTS OWNED BY THE FEDERAL GOVERNMENT, THE STATE, A  
31 COUNTY, OR A MUNICIPAL CORPORATION UNLESS THE BUSINESS HAS FIRST  
32 UTILIZED ALL APPLICABLE PROPERTY TAX EXEMPTIONS UNDER TITLE 7 OF THE  
33 TAX – PROPERTY ARTICLE, INCLUDING ENTERING INTO ANY AVAILABLE  
34 PAYMENT IN LIEU OF TAX AGREEMENT.

1                   (II) SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT  
2 APPLY TO A GREEN BUSINESS LEASING LAND OR IMPROVEMENTS OWNED BY  
3 THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION.

4                   (2) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION, A  
5 GREEN BUSINESS LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE  
6 ESTABLISHED UNDER SUBTITLE 13 OF THIS TITLE MAY NOT RECEIVE THE  
7 PROPERTY TAX CREDIT UNDER § 9-103.1 OF THE TAX – PROPERTY ARTICLE  
8 UNLESS:

9                   (I) THE BUSINESS QUALIFIED FOR THE PROPERTY TAX  
10 CREDIT BEFORE THE DATE THAT THE BRAC REVITALIZATION AND INCENTIVE  
11 ZONE IS DESIGNATED; OR

12                   (II) THE POLITICAL SUBDIVISION WHERE THE BUSINESS IS  
13 LOCATED EXPRESSLY GRANTS THE PROPERTY TAX CREDIT TO THE BUSINESS.

14                   (3) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION:

15                   (I) A GREEN BUSINESS THAT RECEIVES THE PROPERTY TAX  
16 CREDIT UNDER § 9-103 OF THE TAX – PROPERTY ARTICLE IS NOT ENTITLED TO  
17 THE PROPERTY TAX CREDIT UNDER § 9-103.1 OF THE TAX – PROPERTY  
18 ARTICLE; AND

19                   (II) A GREEN BUSINESS THAT RECEIVES THE INCOME TAX  
20 CREDITS UNDER § 10-702 OF THE TAX – GENERAL ARTICLE IS NOT ENTITLED  
21 TO THE INCOME TAX CREDITS UNDER § 10-702.1 OF THE TAX – GENERAL  
22 ARTICLE.

23 **5-1407.**

24                   THE SECRETARY MAY ESTABLISH BY REGULATION ANY OTHER  
25 REQUIREMENTS NECESSARY AND APPROPRIATE TO CARRY OUT THIS SUBTITLE.

26 **5-1408.**

27                   (A) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL  
28 ASSESS EACH YEAR THE EFFECTIVENESS OF THE TAX CREDITS PROVIDED TO  
29 GREEN BUSINESSES IN GREEN BUSINESS INCENTIVE ZONES, INCLUDING:

30                   (1) THE NUMBER AND AMOUNTS OF CREDITS GRANTED EACH  
31 YEAR; AND



1                   1.    THE DATE ON WHICH THE GREEN BUSINESS  
2 INCENTIVE ZONE IS DESIGNATED; OR

3                   2.    THE DATE ON WHICH THE GREEN BUSINESS  
4 LOCATES IN THE GREEN BUSINESS INCENTIVE ZONE.

5                   (5)   “ECONOMICALLY DISADVANTAGED INDIVIDUAL” MEANS AN  
6 INDIVIDUAL WHO IS CERTIFIED BY PROVISIONS THAT THE DEPARTMENT OF  
7 LABOR, LICENSING, AND REGULATION ADOPTS AS AN INDIVIDUAL WHO,  
8 BEFORE BECOMING EMPLOYED BY A GREEN BUSINESS IN A GREEN BUSINESS  
9 INCENTIVE ZONE:

10                   (I)   WAS BOTH UNEMPLOYED FOR AT LEAST 30  
11 CONSECUTIVE DAYS AND QUALIFIED TO PARTICIPATE IN TRAINING ACTIVITIES  
12 FOR THE ECONOMICALLY DISADVANTAGED UNDER TITLE II, PART B OF THE  
13 FEDERAL WORKFORCE INVESTMENT ACT OR ITS SUCCESSOR; OR

14                   (II)   IN THE ABSENCE OF AN APPLICABLE FEDERAL ACT, MET  
15 THE CRITERIA FOR AN ECONOMICALLY DISADVANTAGED INDIVIDUAL THAT THE  
16 SECRETARY OF LABOR, LICENSING, AND REGULATION SETS.

17                   (B)   (1)   ANY GREEN BUSINESS THAT IS LOCATED IN A GREEN  
18 BUSINESS INCENTIVE ZONE AND SATISFIES THE REQUIREMENTS OF § 5-1407 OF  
19 THE ECONOMIC DEVELOPMENT ARTICLE MAY CLAIM A CREDIT ONLY AGAINST  
20 THE STATE INCOME TAX FOR THE WAGES SPECIFIED IN SUBSECTIONS (C) AND  
21 (D) OF THIS SECTION THAT ARE PAID IN THE TAXABLE YEAR FOR WHICH THE  
22 BUSINESS CLAIMS THE CREDIT.

23                   (2)   AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER §  
24 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE MAY APPLY THE CREDIT  
25 UNDER THIS SECTION AS A CREDIT AGAINST INCOME TAX DUE ON UNRELATED  
26 BUSINESS TAXABLE INCOME AS PROVIDED UNDER §§ 10-304 AND 10-812 OF  
27 THIS TITLE.

28                   (C)   FOR THE TAXABLE YEAR IN WHICH A GREEN BUSINESS SATISFIES  
29 THE REQUIREMENTS OF § 5-1406 OF THE ECONOMIC DEVELOPMENT ARTICLE,  
30 A CREDIT IS ALLOWED THAT EQUALS:

31                   (1)   UP TO \$3,000 OF THE WAGES PAID TO EACH QUALIFIED  
32 EMPLOYEE WHO:

33                   (I)   IS AN ECONOMICALLY DISADVANTAGED INDIVIDUAL;  
34 AND

1                   **(II) IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM THE**  
2 **GREEN BUSINESS EMPLOYED IN THAT OR ANY OF THE 3 PRECEDING TAXABLE**  
3 **YEARS; AND**

4                   **(2) UP TO \$1,000 OF THE WAGES PAID TO EACH QUALIFIED**  
5 **EMPLOYEE WHO:**

6                   **(I) IS NOT AN ECONOMICALLY DISADVANTAGED**  
7 **INDIVIDUAL; AND**

8                   **(II) IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM THE**  
9 **GREEN BUSINESS EMPLOYED IN THAT OR ANY OF THE 3 PRECEDING TAXABLE**  
10 **YEARS.**

11           **(D) (1) FOR EACH TAXABLE YEAR AFTER THE TAXABLE YEAR**  
12 **DESCRIBED IN SUBSECTION (C) OF THIS SECTION, WHILE THE AREA IS**  
13 **DESIGNATED A GREEN BUSINESS INCENTIVE ZONE, A CREDIT IS ALLOWED THAT**  
14 **EQUALS:**

15                   **(I) UP TO \$3,000 OF THE WAGES PAID TO EACH QUALIFIED**  
16 **EMPLOYEE WHO:**

17                           **1. IS AN ECONOMICALLY DISADVANTAGED**  
18 **INDIVIDUAL;**

19                           **2. BECAME A QUALIFIED EMPLOYEE DURING THE**  
20 **TAXABLE YEAR TO WHICH THE CREDIT APPLIES; AND**

21                           **3. IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM**  
22 **THE GREEN BUSINESS EMPLOYED IN THAT OR ANY OF THE 3 PRECEDING**  
23 **TAXABLE YEARS;**

24                   **(II) UP TO \$2,000 OF THE WAGES PAID TO EACH QUALIFIED**  
25 **EMPLOYEE WHO IS AN ECONOMICALLY DISADVANTAGED INDIVIDUAL, IF THE**  
26 **GREEN BUSINESS RECEIVED A CREDIT UNDER SUBSECTION (C)(1) OF THIS**  
27 **SECTION FOR THE QUALIFIED EMPLOYEE IN THE IMMEDIATELY PRECEDING**  
28 **TAXABLE YEAR; AND**

29                   **(III) UP TO \$1,000 OF THE WAGES PAID TO EACH QUALIFIED**  
30 **EMPLOYEE WHO IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM THE GREEN**  
31 **BUSINESS EMPLOYED IN THAT OR ANY OF THE 3 PRECEDING TAXABLE YEARS IF**  
32 **THE QUALIFIED EMPLOYEE:**

1                   1. IS AN ECONOMICALLY DISADVANTAGED  
2 INDIVIDUAL FOR WHOM THE GREEN BUSINESS RECEIVED A CREDIT UNDER  
3 SUBSECTION (C)(1) OF THIS SECTION OR ITEM (I) OF THIS PARAGRAPH AND A  
4 CREDIT UNDER ITEM (II) OF THIS PARAGRAPH IN THE 2 IMMEDIATELY  
5 PRECEDING TAXABLE YEARS; OR

6                   2. IS NOT AN ECONOMICALLY DISADVANTAGED  
7 INDIVIDUAL BUT BECAME A QUALIFIED EMPLOYEE DURING THE TAXABLE YEAR  
8 TO WHICH THE CREDIT APPLIES.

9                   (2) A GREEN BUSINESS THAT HIRES A QUALIFIED EMPLOYEE TO  
10 REPLACE ANOTHER QUALIFIED EMPLOYEE FOR WHOM THE GREEN BUSINESS  
11 RECEIVED A CREDIT UNDER SUBSECTION (C)(1) OF THIS SECTION AND  
12 PARAGRAPH (1)(II) OF THIS SUBSECTION IN THE IMMEDIATELY PRECEDING  
13 TAXABLE YEAR MAY TREAT THE NEW QUALIFIED EMPLOYEE AS THE  
14 REPLACEMENT FOR THE OTHER QUALIFIED EMPLOYEE TO DETERMINE ANY  
15 CREDIT THAT MAY BE AVAILABLE TO THE GREEN BUSINESS UNDER PARAGRAPH  
16 (1)(II) OR (III) OF THIS SUBSECTION.

17                   (E) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE  
18 YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, A GREEN  
19 BUSINESS MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME  
20 TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

21                   (1) THE FULL AMOUNT OF THE EXCESS IS USED; OR

22                   (2) THE EXPIRATION OF THE 5TH TAXABLE YEAR FROM THE DATE  
23 ON WHICH THE GREEN BUSINESS HIRED THE QUALIFIED EMPLOYEE TO WHOM  
24 THE CREDIT FIRST APPLIES.

25   Article – Tax – Property

26                   9-103.1.

27                   (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
28 MEANINGS INDICATED.

29                   (2) “BASE YEAR” MEANS THE TAXABLE YEAR IMMEDIATELY  
30 BEFORE THE TAXABLE YEAR IN WHICH A PROPERTY TAX CREDIT UNDER THIS  
31 SECTION IS TO BE GRANTED.

32                   (3) (I) “BASE YEAR VALUE” MEANS THE VALUE OF THE  
33 PROPERTY USED TO DETERMINE THE ASSESSMENT ON WHICH THE PROPERTY  
34 TAX ON REAL PROPERTY WAS IMPOSED FOR THE BASE YEAR.

1                   **(II) “BASE YEAR VALUE” DOES NOT INCLUDE ANY NEW REAL**  
2 **PROPERTY THAT WAS FIRST ASSESSED IN THE BASE YEAR.**

3                   **(4) (I) “ELIGIBLE ASSESSMENT” MEANS THE DIFFERENCE**  
4 **BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE AS DETERMINED BY**  
5 **THE DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX**  
6 **CREDIT UNDER THIS SECTION IS TO BE GRANTED.**

7                   **(II) FOR A BUSINESS ENTITY THAT IS LOCATED ON LAND OR**  
8 **WITHIN IMPROVEMENTS OWNED BY THE FEDERAL, STATE, COUNTY, OR**  
9 **MUNICIPAL GOVERNMENT, “ELIGIBLE ASSESSMENT” MEANS THE DIFFERENCE**  
10 **BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE REDUCED BY THE**  
11 **VALUE OF ANY PROPERTY ENTITLED TO AN EXEMPTION UNDER TITLE 7 OF THIS**  
12 **ARTICLE AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE TAXABLE**  
13 **YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.**

14                   **(5) “GREEN BUSINESS” HAS THE MEANING STATED IN § 5-1401**  
15 **OF THE ECONOMIC DEVELOPMENT ARTICLE.**

16                   **(6) “GREEN BUSINESS INCENTIVE ZONE” HAS THE MEANING**  
17 **STATED IN § 5-1401 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

18                   **(7) “QUALIFIED PROPERTY” MEANS REAL PROPERTY THAT IS:**

19                   **(I) NOT USED FOR RESIDENTIAL PURPOSES;**

20                   **(II) USED IN A TRADE OR BUSINESS BY A GREEN BUSINESS**  
21 **THAT MEETS THE REQUIREMENTS OF § 5-1406 OF THE ECONOMIC**  
22 **DEVELOPMENT ARTICLE; AND**

23                   **(III) LOCATED IN A GREEN BUSINESS INCENTIVE ZONE THAT**  
24 **IS DESIGNATED UNDER TITLE 5, SUBTITLE 14 OF THE ECONOMIC**  
25 **DEVELOPMENT ARTICLE.**

26                   **(B) THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL**  
27 **CORPORATION SHALL GRANT A TAX CREDIT UNDER THIS SECTION AGAINST THE**  
28 **PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED**  
29 **PROPERTY.**

30                   **(C) UNLESS THE COUNTY IN WHICH A MUNICIPAL CORPORATION IS**  
31 **LOCATED AGREES TO THE DESIGNATION OF A GREEN BUSINESS INCENTIVE**  
32 **ZONE IN THE MUNICIPAL CORPORATION, QUALIFIED PROPERTY IN THE**

1 MUNICIPAL CORPORATION MAY NOT RECEIVE A TAX CREDIT AGAINST COUNTY  
2 PROPERTY TAX.

3 (D) (1) THE APPROPRIATE GOVERNING BODY SHALL CALCULATE THE  
4 AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO A PERCENTAGE  
5 OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF  
6 THE QUALIFIED PROPERTY, AS FOLLOWS:

7 (I) 80% IN EACH OF THE 1ST 5 TAXABLE YEARS FOLLOWING  
8 THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES A  
9 QUALIFIED PROPERTY;

10 (II) 70% IN THE 6TH TAXABLE YEAR;

11 (III) 60% IN THE 7TH TAXABLE YEAR;

12 (IV) 50% IN THE 8TH TAXABLE YEAR;

13 (V) 40% IN THE 9TH TAXABLE YEAR; AND

14 (VI) 30% IN THE 10TH TAXABLE YEAR.

15 (2) THE DEPARTMENT SHALL ALLOCATE THE ELIGIBLE  
16 ASSESSMENT TO THE NONRESIDENTIAL PART OF THE QUALIFIED PROPERTY AT  
17 THE SAME PERCENTAGE AS THE SQUARE FOOTAGE OF THE NONRESIDENTIAL  
18 PART IS TO THE TOTAL SQUARE FOOTAGE OF THE BUILDING.

19 (3) FOR PURPOSES OF CALCULATING THE AMOUNT OF THE  
20 CREDIT ALLOWED UNDER THIS SECTION, THE AMOUNT OF PROPERTY TAX  
21 IMPOSED ON THE ELIGIBLE ASSESSMENT SHALL BE CALCULATED WITHOUT  
22 REDUCTION FOR ANY CREDITS ALLOWED UNDER THIS TITLE.

23 (E) (1) A TAX CREDIT UNDER THIS SECTION IS AVAILABLE TO A  
24 QUALIFIED PROPERTY FOR NO MORE THAN 10 CONSECUTIVE YEARS BEGINNING  
25 WITH THE TAXABLE YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE  
26 REAL PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

27 (2) EVEN IF THE DESIGNATION OF A GREEN BUSINESS INCENTIVE  
28 ZONE EXPIRES, THE TAX CREDIT UNDER THIS SECTION CONTINUES TO BE  
29 AVAILABLE TO A QUALIFIED PROPERTY.

30 (3) NOTWITHSTANDING § 5-1406(D) OF THE ECONOMIC  
31 DEVELOPMENT ARTICLE BUT SUBJECT TO § 5-1406(B) AND (C) OF THE  
32 ECONOMIC DEVELOPMENT ARTICLE, A GREEN BUSINESS OPERATING IN A



1 GREEN BUSINESS INCENTIVE ZONE WHEN THE DESIGNATION OF THE GREEN  
2 BUSINESS INCENTIVE ZONE EXPIRES MAY CLAIM THE CREDITS ALLOWED UNDER  
3 THIS SECTION FOR REAL PROPERTY THAT:

4 (I) THE BUSINESS OWNS, OPERATES, DEVELOPS,  
5 CONSTRUCTS, OR REHABILITATES WITHIN 5 YEARS AFTER THE DATE THE  
6 DESIGNATION OF THE GREEN BUSINESS INCENTIVE ZONE EXPIRED; AND

7 (II) OTHERWISE QUALIFIES FOR THE CREDITS ALLOWED  
8 UNDER THIS SECTION.

9 (4) STATE PROPERTY TAX IMPOSED ON REAL PROPERTY IS NOT  
10 AFFECTED BY THIS SECTION.

11 (F) WHEN A GREEN BUSINESS INCENTIVE ZONE IS DESIGNATED BY THE  
12 SECRETARY OF THE DEPARTMENT OF BUSINESS AND ECONOMIC  
13 DEVELOPMENT, THE APPROPRIATE GOVERNING BODY SHALL CERTIFY TO THE  
14 DEPARTMENT OF ASSESSMENTS AND TAXATION:

15 (1) THE REAL PROPERTIES IN THE GREEN BUSINESS INCENTIVE  
16 ZONE THAT ARE QUALIFIED PROPERTIES FOR EACH TAXABLE YEAR FOR WHICH  
17 THE PROPERTY TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED; AND

18 (2) THE DATE THAT THE REAL PROPERTIES BECAME QUALIFIED  
19 PROPERTIES.

20 (G) BEFORE PROPERTY TAX BILLS ARE SENT, THE DEPARTMENT OF  
21 ASSESSMENTS AND TAXATION SHALL SUBMIT TO THE APPROPRIATE  
22 GOVERNING BODY A LIST OF:

23 (1) EACH QUALIFIED PROPERTY;

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

26 (3) THE AMOUNT OF THE ELIGIBLE ASSESSMENT FOR EACH  
27 QUALIFIED PROPERTY.

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

1           **(I) (1) QUARTERLY OR MORE FREQUENTLY, THE COUNTY OR**  
2 **MUNICIPAL CORPORATION SHALL SUBMIT A REQUEST TO THE DEPARTMENT OF**  
3 **ASSESSMENTS AND TAXATION FOR THE AMOUNT REQUIRED BY SUBSECTION (H)**  
4 **OF THIS SECTION.**

5           **(2) WITHIN 5 WORKING DAYS AFTER THE DEPARTMENT OF**  
6 **ASSESSMENTS AND TAXATION RECEIVES THE REQUEST FROM THE COUNTY OR**  
7 **MUNICIPAL CORPORATION, THE DEPARTMENT SHALL CERTIFY TO THE**  
8 **COMPTROLLER THE REIMBURSEMENT DUE TO EACH COUNTY OR MUNICIPAL**  
9 **CORPORATION.**

10           **(3) WITHIN 5 WORKING DAYS AFTER THE COMPTROLLER**  
11 **RECEIVES THE CERTIFICATION FROM THE DEPARTMENT, THE COMPTROLLER**  
12 **SHALL REIMBURSE EACH COUNTY OR MUNICIPAL CORPORATION.**

13           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 July 1, 2011, and shall be applicable to all taxable years beginning after December 31,  
15 2010.