

CHAPTER 338

(Senate Bill 206)

AN ACT concerning

BRAC Community Enhancement Act

FOR the purpose of authorizing the creation of BRAC Revitalization and Incentive Zones in the State; establishing eligibility criteria for the Zones and factors to be considered by the Secretary of Business and Economic Development in approving the Zones; establishing procedures for applying for establishment of the Zones and the benefits available in the Zones; limiting the number of Zones that can be created in any calendar year and in any one county; ~~providing for certain tax credits to be available to certain eligible businesses in the Zones; requiring an income tax addition modification for the amount of a certain credit claimed;~~ providing that certain benefits provided in certain designated enterprise zones do not apply to certain businesses in certain locations except under certain circumstances; providing for certain State payments under certain circumstances to certain political subdivisions for financing infrastructure improvements in BRAC Revitalization and Incentive Zones; requiring certain political subdivisions to submit certain reports to the Department of Business and Economic Development; requiring the Department to submit certain reports to the Governor and General Assembly; providing for certain benefits, including financing for tax increment financing to be available to the political subdivisions applying for and administering the Zones; providing for eligibility of a Zone as a community legacy area or a designated neighborhood under programs administered by the Department of Housing and Community Development; authorizing the Mayor and the City Council of Baltimore City to pledge certain funds for certain bonds; authorizing the ~~Maryland Department of Transportation~~ State and certain local jurisdictions to enter into a certain payment agreement in lieu of a tax agreement with the federal government or certain private developers for certain federal enclave property; exempting from State and local real property tax certain federal enclave property under certain circumstances; requiring certain factors to be considered by the parties to certain agreements; requiring a certain agreement to be approved and signed by certain parties; requiring certain parties to make a certain payment to a certain tax collector in a certain amount at a certain time; limiting the payment that may be required under certain payment in lieu of tax agreements; specifying the distribution of certain payments; authorizing the ~~State Department of Assessments and Taxation and the~~ Maryland Department of Transportation to adopt certain rules and regulations; disallowing providing that certain property tax exemptions for do not apply to certain federal enclave property; repealing certain property tax exemptions for certain property located within the defined boundaries of a military installation;

defining certain terms; providing for certain exceptions; requiring certain reports; providing for the application ~~of~~ and effective date of certain provisions of this Act; and generally relating to BRAC Revitalization and Incentive Zones and ~~tax benefits for the property taxation of federal enclave property in the State.~~

BY repealing and reenacting, with amendments,
 The Charter of Baltimore City
 Article II – General Powers
 Section (62)(a)
 (2007 Replacement Volume, as amended)

~~BY repealing and reenacting, with amendments,
 Article 41 – Governor – Executive and Administrative Departments
 Section 14-204
 Annotated Code of Maryland
 (2003 Replacement Volume and 2007 Supplement)~~

~~BY adding to
 Article 83A – Department of Business and Economic Development
 Section 5-404(d); and 5-2001 through 5-2005 to be under the new subtitle
 “Subtitle 20. BRAC Revitalization and Incentive Zones Tax Benefits”
 Annotated Code of Maryland
 (2003 Replacement Volume and 2007 Supplement)~~

BY repealing and reenacting, with amendments,
 Article – Economic Development
 Section 5-102, 5-105, and 12-206
 Annotated Code of Maryland
 (As enacted by Ch. 306 (H.B. 1050) of the Acts of the General Assembly of 2008)

BY repealing and reenacting, without amendments,
 Article – Economic Development
 Section 5-707(d)
 Annotated Code of Maryland
 (As enacted by Ch. 306 (H.B. 1050) of the Acts of the General Assembly of 2008)

BY adding to
 Article – Economic Development
 Section 5-707(e); and 5-1201 through 5-1207 to be under the new subtitle
 “Subtitle 12. BRAC Revitalization and Incentive Zones”
 Annotated Code of Maryland
 (As enacted by Ch. 306 (H.B. 1050) of the Acts of the General Assembly of 2008)

BY repealing and reenacting, with amendments,
 Article – Housing and Community Development

Section 6-201(g) and 6-301(b)
Annotated Code of Maryland
(2006 Volume and 2007 Supplement)

~~BY repealing and reenacting, with amendments,
Article Tax General
Section 10-205(b) and 10-306(b)(1)
Annotated Code of Maryland
(2004 Replacement Volume and 2007 Supplement)~~

~~BY adding to
Article Tax General
Section 10-726
Annotated Code of Maryland
(2004 Replacement Volume and 2007 Supplement)~~

~~BY adding to
Article Tax Property
Section 7-211.3 and 9-110
Annotated Code of Maryland
(2007 Replacement Volume)~~

~~BY repealing and reenacting, with amendments,
Article 83A – Department of Business and Economic Development
Section 5-404(d)
Annotated Code of Maryland
(2003 Replacement Volume and 2007 Supplement)~~

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section ~~7-211(a) and (e)~~ 7-211(c), 7-211.2, 7-501(b), and 9-103(a)(5)
Annotated Code of Maryland
(2007 Replacement Volume)

BY adding to
Article – Tax – Property
Section 2-222 and 7-211.3
Annotated Code of Maryland
(2007 Replacement Volume)

Preamble

WHEREAS, The federal Base Realignment and Closure (BRAC) Commission recommendations are estimated to result in between 40,000 to 60,000 new jobs in the State; and

WHEREAS, It is estimated that BRAC will result in approximately 25,877 households locating ~~within Anne Arundel County, Cecil County, Baltimore County, Frederick County, Harford County, Howard County, Montgomery County, and Prince George's County and Baltimore City~~ *throughout the State and will have a tremendous impact in both rural and urban areas;* and

WHEREAS, The State desires that BRAC-related growth occurs in a manner that will enhance the State's ability to preserve our natural resources, enhance the vitality of older neighborhoods, increase the State's return on infrastructure investment by encouraging new development within designated growth areas; and

WHEREAS, The State desires to direct the growth related to BRAC in areas that are served by public infrastructure and MARC train service among other criteria; and

WHEREAS, BRAC Revitalization and Incentive Zones should be designated by local governments in areas determined by the State to meet certain Smart Growth criteria; and

WHEREAS, BRAC Revitalization and Incentive Zones should provide financial incentives to local governments to provide infrastructure necessary to encourage BRAC households to locate in the BRAC Revitalization and Incentive Zones; and

~~WHEREAS, BRAC Revitalization and Incentive Zones should provide financial incentives to businesses to locate in these areas to provide attractive services to BRAC households; and~~

WHEREAS, The designation of BRAC Revitalization and Incentive Zones will assist the State in aligning other State resources and programs such as the Department of Housing and Community Development's Community Legacy or Neighborhood BusinessWorks program; now, therefore,

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

The Charter of Baltimore City

Article II – General Powers

The Mayor and City Council of Baltimore shall have full power and authority to exercise all of the powers heretofore or hereafter granted to it by the Constitution of Maryland or by any Public General or Public Local Laws of the State of Maryland; and in particular, without limitation upon the foregoing, shall have power by ordinance, or such other method as may be provided for in its Charter, subject to the provisions of said Constitution and Public General Laws:

(62)

(a) (1) To borrow money by issuing and selling bonds, at any time and from time to time, for the purpose of financing and refinancing the development of an industrial, commercial, or residential area in Baltimore City. Such bonds shall be payable from and secured by a pledge of the special fund described in subsection (d)(3)(ii) of this section and the Mayor and City Council of Baltimore may also establish sinking funds, establish debt service reserve funds, or pledge other assets and revenues towards the payments of the principal and interest, including revenues received by the Mayor and City Council of Baltimore pursuant to a development agreement.

(2) (i) In lieu of the pledges set forth in paragraph (1) of this subsection, the authorizing ordinance or trust agreement, subject to subparagraphs (ii) and (iii) of this paragraph, may pledge or assign:

1. all or any part of that portion of the revenues and receipts from the taxes representing the levy on the tax increment that would normally be paid to the Mayor and City Council of Baltimore to the payment of such principal and interest;

2. the special fund described in subsection (d)(3)(ii) of this section and any other fund into which all or any part of such revenues and receipts are deposited after such revenues and receipts are appropriated by the Mayor and City Council of Baltimore to the payment of such principal and interest; [and]

3. AMOUNTS ~~REMITTED~~ PROVIDED TO THE MAYOR AND CITY COUNCIL OF BALTIMORE BY THE STATE UNDER ~~§ 9-110(C) OR (D)~~ § 2-222 OF THE TAX - PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND; AND

4. any other assets and revenues of the Mayor and City Council of Baltimore.

(ii) The revenues and receipts may not be irrevocably pledged to the payment of such principal and interest and the obligation to pay such principal and interest from such revenues and receipts shall be subject to annual appropriation by the Mayor and City Council of Baltimore.

(iii) The Mayor and City Council of Baltimore may not pledge its full faith and credit or unlimited taxing power to the payment of such bonds.

~~Article 41 - Governor - Executive and Administrative Departments~~

~~14-204~~

~~(A) Bonds shall be payable from the special fund described in § 14-206(3)(ii) of this subtitle [and the].~~

~~(B) THE governing body of the issuer may also pledge its full faith and credit or establish sinking funds, establish debt service reserve funds, or pledge other assets and revenues, INCLUDING AMOUNTS REMITTED TO THE GOVERNING BODY BY THE STATE UNDER § 9-110(C) OR (D) OF THE TAX – PROPERTY ARTICLE, towards the payments of the principal and interest.~~

~~Article 83A – Department of Business and Economic Development~~

~~SUBTITLE 20. BRAC REVITALIZATION AND INCENTIVE ZONES TAX BENEFITS.~~

~~5-2001.~~

Article – Economic Development

5-102.

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

(1) THE BRAC REVITALIZATION AND INCENTIVE ZONE PROGRAM, UNDER SUBTITLE 12 OF THIS TITLE;

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

[(2)] (3) the Enterprise Zones Program, under Subtitle 7 of this title;

[(3)] (4) the Maryland Economic Adjustment Fund, under Subtitle 2 of this title;

[(4)] (5) the Maryland Economic Development Assistance Authority and Fund, under Subtitle 3 of this title;

[(5)] (6) the Maryland Industrial Development Financing Authority, under Subtitle 4 of this title;

[(6)] (7) the Maryland Small Business Development Financing Authority, under Subtitle 5 of this title;

[(7)] (8) the Appalachian Regional Development Program, under Title 13, Subtitle 1 of this article;

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

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

5-105.

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

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

(2) IN A BRAC REVITALIZATION AND INCENTIVE ZONE AS DESIGNATED UNDER SUBTITLE 12 OF THIS TITLE.

5-707.

(d) (1) Except as provided in § 10-702 of the Tax – General Article and § 9-103 of the Tax – Property Article, the incentives and initiatives set forth in this section are available for 10 years after the date that an area is designated an enterprise zone.

(2) A law enacted after the enactment of this section that eliminates or reduces the benefits available to a business entity under this section does not apply to a business entity that was in an enterprise zone before the effective date of the law.

(E) (1) (I) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION, EXCEPT FOR A BUSINESS ENTITY CERTIFIED TO RECEIVE A PROPERTY TAX CREDIT UNDER § 9-103 OF THE TAX – PROPERTY ARTICLE FOR A TAX YEAR BEGINNING BEFORE JULY 1, 2008, A BUSINESS ENTITY LOCATED IN AN ENTERPRISE ZONE MAY NOT RECEIVE THE INCENTIVES AND INITIATIVES SET FORTH IN SUBSECTION (A)(1) AND (2) OF THIS SECTION IF THE ENTITY IS LOCATED ON LAND OR WITHIN IMPROVEMENTS OWNED BY THE FEDERAL GOVERNMENT, THE STATE, A COUNTY, OR A MUNICIPAL CORPORATION UNLESS THE BUSINESS ENTITY HAS FIRST UTILIZED ALL APPLICABLE PROPERTY TAX EXEMPTIONS UNDER TITLE 7 OF THE TAX – PROPERTY ARTICLE, INCLUDING ENTERING INTO ANY AVAILABLE PAYMENT IN LIEU OF TAX AGREEMENT.

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

(2) NOTWITHSTANDING SUBSECTION (D) OF THIS SECTION, A BUSINESS ENTITY LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE ESTABLISHED UNDER SUBTITLE 12 OF THIS TITLE MAY NOT RECEIVE THE PROPERTY TAX CREDIT UNDER § 9-103 OF THE TAX - PROPERTY ARTICLE UNLESS:

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

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

SUBTITLE 12. BRAC REVITALIZATION AND INCENTIVE ZONES.

5-1201.

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

(B) "AREA" MEANS A GEOGRAPHIC AREA WITHIN ONE OR MORE POLITICAL SUBDIVISIONS WITHIN THE STATE DESCRIBED BY A CLOSED PERIMETER BOUNDARY.

~~**(C) "BRAC REVITALIZATION AND INCENTIVE ZONE" MEANS AN AREA MEETING THE REQUIREMENTS OF § 5-2003 OF THIS SUBTITLE AND SO DESIGNATED BY THE SECRETARY IN ACCORDANCE WITH § 5-2002 OF THIS SUBTITLE.**~~

~~**(D) (1) "BUSINESS ENTITY" MEANS A PERSON OPERATING OR CONDUCTING A TRADE OR BUSINESS.**~~

~~**(2) EXCEPT AS PROVIDED IN § 9-110 OF THE TAX - PROPERTY ARTICLE, "BUSINESS ENTITY" DOES NOT INCLUDE A PERSON OWNING, OPERATING, DEVELOPING, CONSTRUCTING, OR REHABILITATING PROPERTY INTENDED FOR USE PRIMARILY AS SINGLE OR MULTIFAMILY RESIDENTIAL PROPERTY LOCATED WITHIN THE BRAC REVITALIZATION AND INCENTIVE ZONE.**~~

~~**(E) "COUNTY" MEANS A COUNTY OF THE STATE OR BALTIMORE CITY.**~~

(C) "BRAC REVITALIZATION AND INCENTIVE ZONE" MEANS AN AREA THAT:

(1) MEETS THE REQUIREMENTS OF § 5-1203 OF THIS SUBTITLE;
AND

(2) IS DESIGNATED AS A BRAC REVITALIZATION AND INCENTIVE ZONE BY THE SECRETARY UNDER § 5-1204 OF THIS SUBTITLE.

(D) "ENTERPRISE ZONE" HAS THE MEANING STATED IN § 5-701 OF THIS TITLE.

~~**(F)**~~ **(E) "POLITICAL SUBDIVISION" MEANS ANY COUNTY OR MUNICIPAL CORPORATION.**

~~**(G)**~~ **(F) "SUBMISSION DATE" MEANS THE DATE THE SECRETARY RECEIVES AN APPLICATION FROM A POLITICAL SUBDIVISION FOR DESIGNATION OF A BRAC REVITALIZATION AND INCENTIVE ZONE.**

~~**(H)**~~ **(G) "TAX INCREMENT FINANCING BONDS" MEANS BONDS ISSUED BY:**

~~**(1) A COUNTY OR MUNICIPAL CORPORATION UNDER ARTICLE 41, TITLE 14, SUBTITLE 2 OF THE CODE; OR**~~

(1) A POLITICAL SUBDIVISION UNDER TITLE 12, SUBTITLE 2 OF THIS ARTICLE; OR

(2) BALTIMORE CITY UNDER ARTICLE II, § 62 OF THE CHARTER OF BALTIMORE CITY.

~~**5-2002.**~~

~~**(A) (1) ANY POLITICAL SUBDIVISION MAY APPLY TO THE SECRETARY FOR THE DESIGNATION OF AN AREA WITHIN THE POLITICAL SUBDIVISION AS A BRAC REVITALIZATION AND INCENTIVE ZONE.**~~

~~**(2) IF A COUNTY SEEKS TO DESIGNATE AN AREA WITHIN A MUNICIPAL CORPORATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE, THEN THE GOVERNING BODY OF THE MUNICIPAL CORPORATION SHALL FIRST CONSENT.**~~

~~**(B) ANY COUNTY MAY APPLY TO THE SECRETARY ON BEHALF OF A MUNICIPAL CORPORATION, WITH THE CONSENT OF THE MUNICIPAL**~~

~~CORPORATION, FOR DESIGNATION OF ANY AREA WITHIN THE MUNICIPAL CORPORATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE.~~

~~(C) TWO OR MORE POLITICAL SUBDIVISIONS MAY APPLY JOINTLY TO THE SECRETARY FOR DESIGNATION OF AN AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE WHICH MAY BE LOCATED ASTRIDE THEIR COMMON BOUNDARIES.~~

5-1202.

(A) THE FOLLOWING POLITICAL SUBDIVISIONS MAY APPLY TO THE SECRETARY TO DESIGNATE A BRAC REVITALIZATION AND INCENTIVE ZONE:

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

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

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

~~(D) THE APPLICATION SHALL BE IN THE FORM AND MANNER AND CONTAIN THE INFORMATION THE SECRETARY MAY REQUIRE, PROVIDED THAT THE APPLICATION SHALL:~~

~~(1) CONTAIN INFORMATION SUFFICIENT FOR THE SECRETARY TO DETERMINE IF THE CRITERIA ESTABLISHED IN § 5-2003 OF THIS SUBTITLE HAVE BEEN MET;~~

~~(2) BE SUBMITTED ON BEHALF OF THE POLITICAL SUBDIVISION BY ITS CHIEF ELECTED OFFICER OR, IF NONE, BY THE GOVERNING BODY OF THE POLITICAL SUBDIVISION;~~

~~(3) STATE WHETHER THE POLITICAL SUBDIVISION HAS EXAMINED THE FEASIBILITY OF CREATING EDUCATIONAL OR TRAINING OPPORTUNITIES FOR EMPLOYERS AND EMPLOYEES OF BUSINESS ENTITIES LOCATED OR TO BE LOCATED IN THE PROPOSED BRAC REVITALIZATION AND INCENTIVE ZONE;~~

~~(4) SET FORTH THE STANDARDS WITH WHICH A BUSINESS ENTITY MUST COMPLY AS A PRECONDITION FOR THE BUSINESS ENTITY TO RECEIVE THE INCENTIVES AND INITIATIVES SET FORTH IN THIS SUBTITLE; AND~~

~~(5) SET FORTH ITS PREFERENCE OF THE TAX BENEFITS THAT WOULD APPLY IN THE BRAC REVITALIZATION AND INCENTIVE ZONE, AS DESCRIBED IN § 5-2004(B) OF THIS SUBTITLE.~~

~~(E) (1) WITHIN 60 DAYS FOLLOWING ANY SUBMISSION DATE, THE SECRETARY MAY DESIGNATE ONE OR MORE BRAC REVITALIZATION AND INCENTIVE ZONES FROM AMONG THE APPLICATIONS SUBMITTED TO THE SECRETARY ON OR BEFORE THE SUBMISSION DATE AS PROVIDED IN THIS SUBSECTION.~~

~~(2) THE PRECISE PERIMETERS OF THE BRAC REVITALIZATION AND INCENTIVE ZONE AND THE TAX BENEFITS AVAILABLE TO THE POLITICAL SUBDIVISIONS AND TO THE BUSINESS ENTITIES LOCATED IN A PROPOSED ZONE WILL BE DETERMINED ONLY ON APPLICATION TO AND APPROVAL BY THE SECRETARY.~~

~~(3) (I) THE SECRETARY MAY DESIGNATE UP TO SIX BRAC REVITALIZATION AND INCENTIVE ZONES IN ANY CALENDAR YEAR AS PROVIDED IN § 5-2003 OF THIS SUBTITLE.~~

~~(II) A COUNTY MAY NOT RECEIVE MORE THAN TWO AREAS DESIGNATED AS A BRAC REVITALIZATION AND INCENTIVE ZONE.~~

~~(F) (1) THE SECRETARY'S DESIGNATION OF A BRAC REVITALIZATION AND INCENTIVE ZONE SHALL BE FINAL.~~

~~(2) WHEN AN AREA HAS NOT BEEN DESIGNATED A BRAC REVITALIZATION AND INCENTIVE ZONE, A POLITICAL SUBDIVISION MAY REAPPLY AT ANY TIME TO THE SECRETARY FOR DESIGNATION OF THAT AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE.~~

~~(G) BEFORE DESIGNATING A BRAC REVITALIZATION AND INCENTIVE ZONE, OR DETERMINING THE INCENTIVES AVAILABLE TO A POLITICAL SUBDIVISION OR THE BUSINESS ENTITIES LOCATED WITHIN A BRAC REVITALIZATION AND INCENTIVE ZONE, THE SECRETARY SHALL CONSULT WITH AND ASK THE ADVICE OF THE BRAC SUBCABINET, ESTABLISHED UNDER § 9-802 OF THE STATE GOVERNMENT ARTICLE.~~

~~5-2003.~~

(B) THE APPLICATION SHALL:

(1) BE IN THE FORM AND MANNER AND CONTAIN THE INFORMATION THAT THE SECRETARY REQUIRES;

(2) CONTAIN SUFFICIENT INFORMATION TO ALLOW THE SECRETARY TO DETERMINE IF THE PROPOSED BRAC REVITALIZATION AND INCENTIVE ZONE MEETS THE CRITERIA IN § 5-1203 OF THIS SUBTITLE;

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

(4) STATE WHETHER THE POLITICAL SUBDIVISION HAS EXAMINED THE FEASIBILITY OF CREATING EDUCATIONAL OR TRAINING OPPORTUNITIES FOR EMPLOYERS AND EMPLOYEES OF BUSINESS ENTITIES LOCATED OR TO BE LOCATED IN THE PROPOSED BRAC REVITALIZATION AND INCENTIVE ZONE.

5-1203.

~~**(A) IN ORDER TO QUALIFY FOR A DESIGNATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE, AN AREA MUST:**~~

(A) THE SECRETARY MAY ONLY DESIGNATE AN AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE IF THE AREA:

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

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

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

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

~~(B) AN AREA THAT IS WITHIN ONE-HALF MILE OF A MARC STATION ALONG THE PENN, CAMDEN, AND BRUNSWICK LINES SHALL RECEIVE PRIORITY CONSIDERATION FOR DESIGNATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE UNDER THIS SECTION.~~

(B) AN AREA SHALL RECEIVE PRIORITY CONSIDERATION FOR DESIGNATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE UNDER THIS SECTION IF THE AREA IS WITHIN ONE-HALF MILE OF A PRESENT OR PLANNED:

- (1) MARC STATION ALONG THE PENN, CAMDEN, OR BRUNSWICK LINES;
- (2) BALTIMORE METRO SUBWAY STATION;
- (3) BALTIMORE MTA LIGHT RAIL STATION; OR
- (4) METRORAIL SYSTEM STATION IN THE STATE.

(C) AN AREA MAY RECEIVE PRIORITY CONSIDERATION FOR DESIGNATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE UNDER THIS SECTION IF THE AREA IS OF STRATEGIC IMPORTANCE TO THE ECONOMIC DEVELOPMENT INTERESTS OF A COUNTY.

~~(C)~~ (D) THE SECRETARY SHALL CONSIDER THE FOLLOWING FACTORS IN DETERMINING WHETHER TO DESIGNATE AN AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE:

- (1) ~~WHETHER~~ WHETHER THE AREA'S DESIGNATION AS A BRAC REVITALIZATION AND INCENTIVE ZONE IS CONSISTENT WITH THE POLITICAL SUBDIVISION'S COMPREHENSIVE PLAN;
- (2) ~~WHETHER~~ WHETHER THE AREA CONTAINS BROWNFIELDS SITES THAT ARE CAPABLE OF REDEVELOPMENT;
- (3) ~~WHETHER~~ WHETHER THE POLITICAL SUBDIVISION HAS TARGETED THE AREA FOR REVITALIZATION AS PROVIDED FOR IN THE POLITICAL SUBDIVISION'S COMPREHENSIVE PLAN OR IN ANOTHER PLAN OR ORDINANCE;
- (4) ~~THE~~ THE RELATIONSHIP OF THE AREA TO A BRAC INSTALLATION OR HOW THE AREA IS IMPACTED BY BRAC;
- (5) ~~THE~~ THE AVAILABILITY, COST, AND CONDITION OF BUSINESS FACILITIES;

- (6) ~~THE~~ THE NUMBER AND AGE OF ABANDONED STRUCTURES;
- (7) ~~THE~~ THE NUMBER AND AGE OF SUBSTANDARD STRUCTURES;
- (8) ~~THE~~ THE INCOME OF RESIDENTS RELATIVE TO THE STATE OR REGIONAL MEDIAN INCOMES, INCLUDING THE NUMBER OF PERSONS WHO RECEIVE PUBLIC ASSISTANCE OR ARE UNEMPLOYED;
- (9) ~~THE~~ THE EXTENT OF UNEMPLOYMENT AND THE ABILITY TO UPGRADE THE SOCIAL AND ECONOMIC CONDITIONS OF THE AREA;
- (10) ~~THE~~ THE NEED FOR FINANCING FOR SMALL BUSINESSES TO UPGRADE THE SOCIAL AND ECONOMIC CONDITIONS OF THE AREA;
- (11) ~~ANY~~ ANY PLANS AND FINANCIAL COMMITMENTS OF LOCAL JURISDICTIONS TO UNDERTAKE IMPROVEMENTS IN THE PROPOSED AREA;
- (12) ~~A~~ A POLITICAL SUBDIVISION'S PARTICIPATION IN REVITALIZATION ACTIVITIES INCLUDING WHETHER THE AREA HAS BEEN DESIGNATED AN ENTERPRISE ZONE;
- (13) ~~THE~~ THE PRESENCE OF A ~~SPECIAL TAXING, NATIONAL REGISTER, OR LOCAL HISTORIC DISTRICT~~ SPECIAL TAXING DISTRICT, A HISTORIC DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES, OR A LOCAL HISTORIC DISTRICT;
- (14) ~~SUPPORT~~ SUPPORT FROM COMMUNITY OR BUSINESS ORGANIZATIONS;
- (15) ~~OTHER~~ OTHER REVITALIZATION PROJECTS UNDERTAKEN IN THE PROPOSED AREA;
- (16) ~~A~~ A POLITICAL SUBDIVISION'S PARTICIPATION IN WORKFORCE READINESS PROGRAMS;
- (17) ~~A~~ A POLITICAL SUBDIVISION'S PARTICIPATION IN THE CREATION OF AFFORDABLE AND WORKFORCE HOUSING OPTIONS FOR RESIDENTS;
- (18) ~~WHETHER~~ WHETHER THE POLITICAL SUBDIVISION HAS ACTED TO PROVIDE FOR THE ADEQUATE PROTECTION AND CONSERVATION OF VITAL NATURAL RESOURCE AREAS AND AGRICULTURAL AREAS WITHIN THE

POLITICAL SUBDIVISION'S COMPREHENSIVE PLAN OR IN ANOTHER LOCAL GOVERNMENT PLAN OR ORDINANCE;

(19) ~~THE~~ THE PRESENCE OF SENSITIVE AREAS, AS DEFINED IN ARTICLE 66B, § 1.00 (J) OF THE CODE;

(20) ~~A~~ A POLITICAL SUBDIVISION'S PROVISION OF A BREADTH OF TRANSPORTATION OPTIONS TO IMPROVE ACCESSIBILITY AND LAND USE THAT SUPPORTS TRANSIT RIDERSHIP, WALKING, AND BICYCLE USE; AND

(21) ~~THE~~ THE FISCAL IMPACT OF THE DESIGNATION OF THE BRAC REVITALIZATION AND INCENTIVE ZONE ON THE STATE.

~~5-2004.~~

~~(A) TAX BENEFITS SHALL BE AVAILABLE TO POLITICAL SUBDIVISIONS AND BUSINESS ENTITIES IN BRAC REVITALIZATION AND INCENTIVE ZONES AS PROVIDED FOR IN THIS SECTION.~~

~~(B) A POLITICAL SUBDIVISION THAT APPLIES FOR DESIGNATION OF AN AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE SHALL IN ITS APPLICATION REQUEST THE TYPE OF TAX BENEFITS IT PREFERENCES FOR THE ZONE, WHICH MAY INCLUDE:~~

~~(1) THE INCOME TAX CREDIT SET FORTH IN § 10-726 OF THE TAX —GENERAL ARTICLE;~~

~~(2) THE PERSONAL PROPERTY TAX CREDIT SET FORTH IN § 9-110 OF THE TAX —PROPERTY ARTICLE; AND~~

~~(3) ANY ONE OF THE FOLLOWING TYPES OF BENEFITS:~~

~~(i) THE REAL PROPERTY TAX CREDIT TO BUSINESSES AND THE REBATE TO THE POLITICAL SUBDIVISION FROM THE STATE EQUAL TO ONE HALF OF THE FUNDS THAT WOULD HAVE BEEN COLLECTED IF THE PROPERTY TAX CREDIT UNDER THIS SUBSECTION HAD NOT BEEN GRANTED, AS SET FORTH IN § 9-110(B) OF THE TAX —PROPERTY ARTICLE;~~

~~(ii) A REBATE OF THE STATE PORTION OF THE INCREMENT IN REAL PROPERTY TAX COLLECTED IN THE BRAC REVITALIZATION AND INCENTIVE ZONE, TO BE USED TO REPAY THE TAX INCREMENT FINANCING BONDS ISSUED FOR IMPROVEMENTS WITHIN THE BRAC REVITALIZATION AND INCENTIVE ZONE, AS SET FORTH IN § 9-110(C) OF THE TAX —PROPERTY ARTICLE; OR~~

~~(III) IF THE BRAC REVITALIZATION AND INCENTIVE ZONE IS LOCATED WITHIN AN ENTERPRISE ZONE, A REBATE TO THE POLITICAL SUBDIVISION FROM THE STATE EQUAL TO ONE HALF OF THE POLITICAL SUBDIVISION'S PROPERTY TAX INCREMENT ON QUALIFIED PROPERTIES IN THE BRAC REVITALIZATION AND INCENTIVE ZONE, WITHOUT THE POLITICAL SUBDIVISION HAVING TO FOREGO COLLECTION OF THAT TAX, TO BE USED TO REPAY THE TAX INCREMENT FINANCING BONDS ISSUED FOR IMPROVEMENTS WITHIN THE BRAC REVITALIZATION AND INCENTIVE ZONE, AS SET FORTH IN § 9-110(D) OF THE TAX PROPERTY ARTICLE.~~

~~(C) POLITICAL SUBDIVISIONS AND BUSINESS ENTITIES MAY RECEIVE PRIORITY CONSIDERATION FOR FINANCIAL ASSISTANCE FOR PROJECTS OR OPERATIONS IN A BRAC REVITALIZATION AND INCENTIVE ZONE FROM THE PROGRAMS WITHIN:~~

~~(1) THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT;~~

~~(2) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT;~~

~~(3) THE DEPARTMENT OF PLANNING; OR~~

~~(4) ANY OTHER APPROPRIATE STATE PROGRAMS.~~

~~(D) ANY BUSINESS ENTITY MOVING INTO OR LOCATING WITHIN A BRAC REVITALIZATION AND INCENTIVE ZONE ON OR AFTER THE DATE ON WHICH THE BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED UNDER § 5-2002 OF THIS SUBTITLE MAY BENEFIT FROM THE INCENTIVES AND INITIATIVES SET FORTH IN THIS SECTION IF:~~

~~(1) THE BUSINESS ENTITY MEETS THE REQUIREMENTS AND CONDITIONS APPLICABLE TO EACH INCENTIVE OR INITIATIVE;~~

~~(2) THE BUSINESS ENTITY IS CERTIFIED BY THE RESPECTIVE POLITICAL SUBDIVISION THAT IT IS IN COMPLIANCE WITH THE STANDARDS SUBMITTED BY THE SUBDIVISION UNDER § 5-2002(D)(4) OF THIS SUBTITLE; AND~~

~~(3) THE BUSINESS ENTITY CREATES NEW OR ADDITIONAL JOBS OR MAKES A CAPITAL INVESTMENT IN ORDER TO QUALIFY FOR THE PROPERTY TAX CREDITS UNDER § 9-110 OF THE TAX PROPERTY ARTICLE.~~

~~(E) ANY BUSINESS ENTITY LOCATED WITHIN A BRAC REVITALIZATION AND INCENTIVE ZONE BEFORE THE DATE ON WHICH THE BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED UNDER § 5-2002 OF THIS SUBTITLE MAY NOT BENEFIT FROM THE INCENTIVES AND INITIATIVES SET FORTH IN THIS SECTION EXCEPT WITH RESPECT TO ANY CAPITAL INVESTMENT OR ANY EXPANSION OF ITS LABOR FORCE OCCURRING AFTER THE DATE ON WHICH THE BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED.~~

~~(F) (1) EXCEPT AS PROVIDED IN § 9-110 OF THE TAX PROPERTY ARTICLE OR § 10-726 OF THE TAX GENERAL ARTICLE, THE INCENTIVES AND INITIATIVES SET FORTH IN THIS SECTION SHALL BE AVAILABLE FOR A PERIOD OF 10 YEARS FOLLOWING THE DATE ON WHICH AN AREA IS DESIGNATED A BRAC REVITALIZATION AND INCENTIVE ZONE IN ACCORDANCE WITH § 5-2002 OF THIS SUBTITLE.~~

~~(2) A LAW ENACTED AFTER JUNE 1, 2008, THAT ELIMINATES OR REDUCES THE BENEFITS AVAILABLE TO BUSINESS ENTITIES UNDER THIS SECTION WILL NOT BE APPLICABLE TO ANY BUSINESS ENTITY LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE PRIOR TO THE EFFECTIVE DATE OF THE LATER ENACTED LAW.~~

~~5-2005.~~

~~(A) ON OR BEFORE OCTOBER 15, 2008, AND ON OR BEFORE OCTOBER 15 OF EACH SUBSEQUENT YEAR, A POLITICAL SUBDIVISION WITH A BRAC SMART GROWTH DESIGNATION SHALL SUBMIT A REPORT TO THE DEPARTMENT THAT ASSESSES THE EFFECTIVENESS OF THE TAX BENEFITS PROVIDED TO THE BRAC REVITALIZATION AND INCENTIVE ZONE AND TO THE BUSINESSES IN THE BRAC REVITALIZATION AND INCENTIVE ZONE, INCLUDING:~~

~~(1) THE NUMBER AND AMOUNTS OF CREDITS ANNUALLY GRANTED; AND~~

~~(2) THE SUCCESS OF THE TAX CREDITS IN ATTRACTING AND RETAINING BUSINESSES WITHIN THE BRAC SMART GROWTH ZONE.~~

~~(B) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL ASSESS THE EFFECTIVENESS OF THE TAX BENEFITS PROVIDED TO THE BRAC REVITALIZATION AND INCENTIVE ZONES AND TO THE BUSINESSES IN THE BRAC REVITALIZATION AND INCENTIVE ZONES, INCLUDING:~~

~~(1) THE NUMBER AND AMOUNTS OF CREDITS ANNUALLY GRANTED; AND~~

~~(2) THE SUCCESS OF THE TAX CREDITS IN ATTRACTING AND RETAINING BUSINESSES WITHIN BRAC SMART GROWTH ZONES.~~

~~(c) ON OR BEFORE DECEMBER 15, 2008, AND ON OR BEFORE DECEMBER 15 OF EACH SUBSEQUENT YEAR, THE DEPARTMENT AND THE COMPTROLLER SHALL SUBMIT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT OUTLINING THE FINDINGS OF THE DEPARTMENT AND THE COMPTROLLER AND ANY OTHER INFORMATION OF VALUE IN DETERMINING THE EFFECTIVENESS OF THESE TAX BENEFITS.~~

5-1204.

(A) (1) WITHIN 60 DAYS AFTER A SUBMISSION DATE, THE SECRETARY MAY DESIGNATE ONE OR MORE BRAC REVITALIZATION AND INCENTIVE ZONES FROM AMONG THE AREAS DESCRIBED IN THE APPLICATIONS TIMELY SUBMITTED.

(2) THE DESIGNATION OF AN AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE IS EFFECTIVE FOR 10 YEARS.

(3) THE SECRETARY MAY NOT DESIGNATE MORE THAN SIX BRAC REVITALIZATION AND INCENTIVE ZONES IN A CALENDAR YEAR.

(4) A COUNTY MAY NOT RECEIVE MORE THAN TWO BRAC REVITALIZATION AND INCENTIVE ZONES.

(5) THE PRECISE LOCATION AND BOUNDARIES OF A BRAC REVITALIZATION AND INCENTIVE ZONE MAY BE DETERMINED ONLY ON APPLICATION TO AND APPROVAL BY THE SECRETARY.

(B) BEFORE DESIGNATING A BRAC REVITALIZATION AND INCENTIVE ZONE, THE SECRETARY SHALL CONSULT WITH THE FOLLOWING CABINET SECRETARIES OR THEIR RESPECTIVE DESIGNEES:

(1) THE SECRETARY OF TRANSPORTATION;

(2) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT;

(3) THE SECRETARY OF THE ENVIRONMENT; AND

(4) THE SECRETARY OF PLANNING.

(C) THE DESIGNATION OF THE SECRETARY IS FINAL.

(D) AT ANY TIME, A POLITICAL SUBDIVISION MAY REAPPLY TO THE SECRETARY TO DESIGNATE AS A BRAC REVITALIZATION AND INCENTIVE ZONE AN AREA THAT IS NOT DESIGNATED.

(E) (1) THIS SUBSECTION APPLIES ONLY TO A POLITICAL SUBDIVISION THAT IS AUTHORIZED UNDER § 7-211.3 OF THE TAX – PROPERTY ARTICLE TO ENTER INTO A PAYMENT IN LIEU OF TAX AGREEMENT WITH A PRIVATE DEVELOPER FOR FEDERAL ENCLAVE PROPERTY.

(2) THE SECRETARY MAY NOT DESIGNATE A BRAC REVITALIZATION AND INCENTIVE ZONE IN A COUNTY UNTIL, IN THE JUDGMENT OF THE SECRETARY, THE POLITICAL SUBDIVISION HAS ENTERED INTO GOOD FAITH NEGOTIATIONS FOR A PAYMENT IN LIEU OF TAX AGREEMENT WITH ALL PRIVATE DEVELOPERS OF FEDERAL ENCLAVE PROPERTY.

5-1205.

(A) (1) A POLITICAL SUBDIVISION MAY APPLY TO THE SECRETARY TO EXPAND AN EXISTING BRAC REVITALIZATION AND INCENTIVE ZONE IN THE SAME MANNER AS THE POLITICAL SUBDIVISION WOULD APPLY TO DESIGNATE A NEW BRAC REVITALIZATION AND INCENTIVE ZONE.

(2) THE SECRETARY MAY GRANT AN EXPANSION OF A BRAC REVITALIZATION AND INCENTIVE ZONE INTO AN AREA THAT MEETS THE REQUIREMENTS OF § 5-1203 OF THIS SUBTITLE.

(3) FOR PURPOSES OF § 5-1204(A) OF THIS SUBTITLE, AN EXPANSION OF A BRAC REVITALIZATION AND INCENTIVE ZONE THAT DOES NOT EXCEED 50% OF THE EXISTING GEOGRAPHIC AREA OF THE BRAC REVITALIZATION AND INCENTIVE ZONE DOES NOT COUNT TOWARDS THE LIMIT ON THE NUMBER OF BRAC REVITALIZATION AND INCENTIVE ZONES THAT:

(I) THE SECRETARY MAY DESIGNATE IN A CALENDAR YEAR;

OR

(II) A COUNTY MAY RECEIVE.

(B) (1) THE SECRETARY MAY GRANT AN EXTRAORDINARY EXPANSION OF A BRAC REVITALIZATION AND INCENTIVE ZONE IN THE STATE EACH CALENDAR YEAR FOR AN AREA THAT:

(I) MEETS THE REQUIREMENTS OF § 5-1203 OF THIS SUBTITLE; AND

(II) IN THE DETERMINATION OF THE SECRETARY, IS OF STRATEGIC IMPORTANCE TO THE ECONOMIC DEVELOPMENT INTERESTS OF THE COUNTY IN WHICH THE BRAC REVITALIZATION AND INCENTIVE ZONE IS LOCATED.

(2) FOR PURPOSES OF § 5-1204(A) OF THIS SUBTITLE, AN EXTRAORDINARY EXPANSION OF A BRAC REVITALIZATION AND INCENTIVE ZONE DOES NOT COUNT TOWARDS THE LIMIT ON THE NUMBER OF BRAC REVITALIZATION AND INCENTIVE ZONES THAT:

(I) THE SECRETARY MAY DESIGNATE IN A CALENDAR YEAR;
OR

(II) A COUNTY MAY RECEIVE.

(3) THE SECRETARY MAY NOT GRANT MORE THAN TWO EXTRAORDINARY EXPANSIONS IN THE STATE DURING A SINGLE CALENDAR YEAR.

5-1206.

(A) BENEFITS ARE AVAILABLE TO POLITICAL SUBDIVISIONS WITH BRAC REVITALIZATION AND INCENTIVE ZONES AS PROVIDED IN THIS SECTION.

(B) (1) A POLITICAL SUBDIVISION THAT RECEIVES DESIGNATION OF AN AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE MAY RECEIVE AMOUNTS AS PROVIDED IN § 2-222 OF THE TAX - PROPERTY ARTICLE.

(2) AMOUNTS RECEIVED BY A POLITICAL SUBDIVISION AS PROVIDED IN § 2-222 OF THE TAX - PROPERTY ARTICLE:

(I) SHALL BE USED TO PAY FOR INFRASTRUCTURE IMPROVEMENTS IN THE BRAC REVITALIZATION AND INCENTIVE ZONE; AND

(II) MAY BE USED FOR THE REPAYMENT OF BONDS, INCLUDING TAX INCREMENT FINANCING BONDS, ISSUED BY THE POLITICAL SUBDIVISION FOR INFRASTRUCTURE IMPROVEMENTS IN THE BRAC REVITALIZATION AND INCENTIVE ZONE.

(C) POLITICAL SUBDIVISIONS AND BUSINESS ENTITIES MAY RECEIVE PRIORITY CONSIDERATION FOR FINANCIAL ASSISTANCE FOR PROJECTS OR OPERATIONS IN A BRAC REVITALIZATION AND INCENTIVE ZONE FROM:

(1) PROGRAMS IN:

(I) THE DEPARTMENT;

(II) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; OR

(III) THE DEPARTMENT OF PLANNING; OR

(2) ANY OTHER APPROPRIATE STATE PROGRAMS.

(D) THE BENEFITS SET FORTH IN THIS SECTION ARE AVAILABLE FOR 10 YEARS AFTER THE DATE THAT AN AREA IS DESIGNATED AS A BRAC REVITALIZATION AND INCENTIVE ZONE.

(E) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE AND TO SPECIFY CRITERIA AND PROCEDURES FOR THE APPLICATION, APPROVAL AND MONITORING THE ELIGIBILITY FOR THE BENEFITS UNDER THIS SUBTITLE.

5-1207.

(A) ON OR BEFORE OCTOBER 15 OF EACH YEAR, A POLITICAL SUBDIVISION WITH A BRAC REVITALIZATION AND INCENTIVE ZONE DESIGNATION SHALL SUBMIT A REPORT TO THE DEPARTMENT THAT ASSESSES THE EFFECTIVENESS OF THE BENEFITS PROVIDED TO THE BRAC REVITALIZATION AND INCENTIVE ZONE IN ATTRACTING AND RETAINING BUSINESSES WITHIN THE BRAC REVITALIZATION AND INCENTIVE ZONE.

(B) ON OR BEFORE DECEMBER 15 OF EACH YEAR, THE DEPARTMENT SHALL:

(1) ASSESS THE EFFECTIVENESS OF THE BENEFITS PROVIDED TO THE BRAC REVITALIZATION AND INCENTIVE ZONES IN ATTRACTING AND RETAINING BUSINESSES WITHIN BRAC REVITALIZATION AND INCENTIVE ZONES; AND

(2) SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT OUTLINING THE FINDINGS OF THE DEPARTMENT AND ANY OTHER

INFORMATION OF VALUE IN DETERMINING THE EFFECTIVENESS OF THE BENEFITS UNDER THIS SUBTITLE.

12-206.

(a) Bonds shall be payable from the special fund established under § 12-208 of this subtitle.

(b) The governing body of the political subdivision or the issuer may:

(1) pledge its full faith and credit or other assets and revenues to pay the bonds; and

(2) establish a sinking fund or a debt service reserve fund for the bonds.

(C) THE ASSETS AND REVENUES PLEDGED UNDER SUBSECTION (B)(1) OF THIS SECTION MAY INCLUDE ANY AMOUNT THAT THE POLITICAL SUBDIVISION MAY RECEIVE FROM THE STATE UNDER § 2-222 OF THE TAX - PROPERTY ARTICLE.

Article - Housing and Community Development

6-201.

(g) "Community legacy area" means the part of a priority funding area that[,]:

(1) as determined by the Board, satisfies the requirements of § 6-206 of this subtitle; OR

(2) **HAS BEEN DESIGNATED AS A BRAC REVITALIZATION AND INCENTIVE ZONE UNDER ~~ARTICLE 83A, § 5-2002 OF THE CODE TITLE 5, SUBTITLE 12 OF THE ECONOMIC DEVELOPMENT ARTICLE.~~**

6-301.

(b) "Designated neighborhood" means:

(1) an area approved as a designated neighborhood under § 6-305 of this subtitle; OR

(2) **AN AREA LOCATED IN A PRIORITY FUNDING AREA AND DESIGNATED AS A BRAC REVITALIZATION AND INCENTIVE ZONE UNDER**

~~ARTICLE 83A, § 5-2002 OF THE CODE TITLE 5, SUBTITLE 12 OF THE ECONOMIC DEVELOPMENT ARTICLE.~~

~~Article Tax General~~

~~10-205.~~

~~(b) The addition under subsection (a) of this section includes the amount of a credit claimed under:~~

~~(1) § 10-702 of this title for wages paid to an employee in an enterprise zone;~~

~~(2) § 10-704.3 of this title or § 8-213 of this article for wages paid and qualified child care or transportation expenses incurred with respect to qualified employment opportunity employees;~~

~~(3) § 10-704.7 of this title or § 8-216 of this article for wages paid and qualified child care or transportation expenses incurred with respect to a qualified employee with a disability; [and]~~

~~(4) § 10-704.10 of this title for wages paid to a qualified ex-felon employee; AND~~

~~(5) § 10-726 OF THIS TITLE FOR WAGES PAID TO AN EMPLOYEE IN A BRAC REVITALIZATION AND INCENTIVE ZONE.~~

~~10-306.~~

~~(b) The addition under subsection (a) of this section includes the additions required for an individual under:~~

~~(1) § 10-205(b) of this title (Enterprise zone wage credit, employment opportunity credit, disability credit, [and] qualified ex-felon employee credit, AND BRAC REVITALIZATION AND INCENTIVE ZONE WAGE CREDIT);~~

~~10-726.~~

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

~~(2) "BRAC REVITALIZATION AND INCENTIVE ZONE" MEANS AN AREA DEFINED IN ARTICLE 83A, § 5-2001 OF THE CODE.~~

~~(3) (1) "BUSINESS ENTITY" MEANS:~~

~~1. A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS; OR~~

~~2. AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE.~~

~~(H) "BUSINESS ENTITY" DOES NOT INCLUDE A PERSON OWNING, OPERATING, DEVELOPING, CONSTRUCTING, OR REHABILITATING PROPERTY INTENDED FOR USE PRIMARILY AS SINGLE OR MULTIFAMILY RESIDENTIAL PROPERTY LOCATED WITHIN THE BRAC REVITALIZATION AND INCENTIVE ZONE.~~

~~(4) "QUALIFIED EMPLOYEE" MEANS AN INDIVIDUAL WHO:~~

~~(I) IS A NEW EMPLOYEE OR AN EMPLOYEE REHIRED AFTER BEING LAID OFF FOR MORE THAN 1 YEAR BY A BUSINESS ENTITY;~~

~~(II) IS EMPLOYED BY A BUSINESS ENTITY AT LEAST 35 HOURS EACH WEEK FOR AT LEAST 6 MONTHS BEFORE OR DURING THE TAXABLE YEAR FOR WHICH THE ENTITY CLAIMS A CREDIT;~~

~~(III) SPENDS AT LEAST 50% OF THE HOURS UNDER ITEM (II) OF THIS PARAGRAPH EITHER IN THE BRAC REVITALIZATION AND INCENTIVE ZONE OR ON ACTIVITIES OF THE BUSINESS ENTITY RESULTING DIRECTLY FROM ITS LOCATION IN THE ZONE;~~

~~(IV) EARNS AT LEAST 150% OF THE FEDERAL MINIMUM WAGE; AND~~

~~(V) IS HIRED BY THE BUSINESS ENTITY AFTER THE LATER OF:~~

~~1. THE DATE ON WHICH THE BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED; OR~~

~~2. THE DATE ON WHICH THE BUSINESS ENTITY LOCATES IN THE BRAC REVITALIZATION AND INCENTIVE ZONE.~~

~~(5) "ECONOMICALLY DISADVANTAGED INDIVIDUAL" MEANS AN INDIVIDUAL WHO IS CERTIFIED BY PROVISIONS THAT THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION ADOPTS AS AN INDIVIDUAL WHO,~~

~~BEFORE BECOMING EMPLOYED BY A BUSINESS ENTITY IN A BRAC REVITALIZATION AND INCENTIVE ZONE;~~

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

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

~~(B) (1) ANY BUSINESS ENTITY THAT IS LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE AND SATISFIES THE REQUIREMENTS OF ARTICLE 83A, § 5-2002(D)(4) OF THE CODE MAY CLAIM A CREDIT ONLY AGAINST THE STATE INCOME TAX FOR THE WAGES SPECIFIED IN SUBSECTION (C) OF THIS SECTION THAT ARE PAID IN THE TAXABLE YEAR FOR WHICH THE ENTITY CLAIMS THE CREDIT.~~

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

~~(C) (1) A CREDIT IS ALLOWED THAT EQUALS:~~

~~(I) UP TO \$4,500 OF THE WAGES PAID TO EACH BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO:~~

~~1. IS AN ECONOMICALLY DISADVANTAGED INDIVIDUAL; AND~~

~~2. IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM THE BUSINESS ENTITY EMPLOYED IN THAT YEAR OR ANY OF THE 3 PRECEDING TAXABLE YEARS; AND~~

~~(II) UP TO \$1,500 OF THE WAGES PAID TO EACH BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO:~~

~~1. IS NOT AN ECONOMICALLY DISADVANTAGED INDIVIDUAL; AND~~

~~2. IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM THE BUSINESS ENTITY EMPLOYED IN THAT YEAR OR ANY OF THE 3 PRECEDING TAXABLE YEARS.~~

~~(2) FOR EACH TAXABLE YEAR AFTER THE TAXABLE YEAR DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, WHILE THE AREA IS DESIGNATED A BRAC REVITALIZATION AND INCENTIVE ZONE, A CREDIT IS ALLOWED THAT EQUALS:~~

~~(I) UP TO \$4,500 OF THE WAGES PAID TO EACH BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO:~~

~~1. IS AN ECONOMICALLY DISADVANTAGED INDIVIDUAL;~~

~~2. BECAME A BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE DURING THE TAXABLE YEAR TO WHICH THE CREDIT APPLIES; AND~~

~~3. IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM THE BUSINESS ENTITY EMPLOYED IN THAT YEAR OR ANY OF THE 3 PRECEDING TAXABLE YEARS;~~

~~(II) UP TO \$3,000 OF THE WAGES PAID TO EACH BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO IS AN ECONOMICALLY DISADVANTAGED INDIVIDUAL, IF THE BUSINESS ENTITY RECEIVED A CREDIT UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION FOR THE EMPLOYEE IN THE IMMEDIATELY PRECEDING TAXABLE YEAR; AND~~

~~(III) UP TO \$1,500 OF THE WAGES PAID TO EACH BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE WHO IS NOT HIRED TO REPLACE AN INDIVIDUAL WHOM THE BUSINESS ENTITY EMPLOYED IN THAT YEAR OR ANY OF THE 3 PRECEDING TAXABLE YEARS IF THE EMPLOYEE:~~

~~1. IS AN ECONOMICALLY DISADVANTAGED INDIVIDUAL FOR WHOM THE BUSINESS ENTITY RECEIVED A CREDIT UNDER ITEM (II) OF THIS PARAGRAPH IN THE 2 IMMEDIATELY PRECEDING TAXABLE YEARS AND UNDER:~~

~~A. PARAGRAPH (1)(I) OF THIS SUBSECTION; OR~~

~~B. ITEM (I) OF THIS PARAGRAPH; OR~~

~~2. IS NOT AN ECONOMICALLY DISADVANTAGED INDIVIDUAL BUT BECAME A BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE DURING THE TAXABLE YEAR TO WHICH THE CREDIT APPLIES.~~

~~(3) A BUSINESS ENTITY THAT HIRES A BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE TO REPLACE ANOTHER BRAC REVITALIZATION AND INCENTIVE ZONE QUALIFIED EMPLOYEE FOR WHOM THE BUSINESS ENTITY RECEIVED A CREDIT UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION AND PARAGRAPH (2)(II) OF THIS SUBSECTION IN THE IMMEDIATELY PRECEDING TAXABLE YEAR MAY TREAT THE NEW EMPLOYEE AS THE REPLACEMENT FOR THE FORMER EMPLOYEE TO DETERMINE ANY CREDIT THAT MAY BE AVAILABLE TO THE BUSINESS ENTITY UNDER PARAGRAPH (2)(II) OR (III) OF THIS SUBSECTION.~~

~~(F) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, A BUSINESS ENTITY MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:~~

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

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

~~(G) IF A CREDIT IS CLAIMED UNDER THIS SECTION, THE CLAIMANT MUST MAKE THE ADDITION REQUIRED IN § 10-205, § 10-206, OR § 10-306 OF THIS TITLE.~~

Article - Tax - Property

~~9-110. 2-222.~~

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

(2) "BASE YEAR" MEANS THE TAXABLE YEAR IMMEDIATELY BEFORE THE TAXABLE YEAR IN WHICH A PROPERTY TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED PROPERTY FIRST BECOMES QUALIFIED PROPERTY UNDER THIS SECTION.

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

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

~~(4) (I) **“BUSINESS ENTITY” MEANS A PERSON THAT OPERATES OR CONDUCTS A TRADE OR BUSINESS.**~~

~~(II) **“BUSINESS ENTITY” INCLUDES A PERSON THAT OWNS, OPERATES, DEVELOPS, CONSTRUCTS, OR REHABILITATES REAL PROPERTY, IF THE REAL PROPERTY:**~~

~~1. **IS INTENDED FOR USE PRIMARILY AS SINGLE OR MULTIFAMILY RESIDENTIAL PROPERTY LOCATED IN THE BRAC REVITALIZATION AND INCENTIVE ZONE; AND**~~

~~2. **IS PARTIALLY DEVOTED TO A NONRESIDENTIAL USE.**~~

(4) **“BRAC REVITALIZATION AND INCENTIVE ZONE” HAS THE MEANING STATED IN § 5-1201 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

(5) **“BRAC REVITALIZATION AND INCENTIVE ZONE TAX RATE” MEANS THE PROPERTY TAX RATE OF THE POLITICAL SUBDIVISION WHERE A BRAC REVITALIZATION AND INCENTIVE ZONE IS LOCATED FOR THE TAXABLE YEAR WHEN THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT FIRST DESIGNATES THE AREA AS A BRAC REVITALIZATION AND INCENTIVE ZONE.**

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

(7) **“PROPERTY TAX INCREMENT” MEANS THE PROPERTY TAX ATTRIBUTABLE TO THE ELIGIBLE ASSESSMENT OF QUALIFIED PROPERTY.**

~~(6) (I) **“QUALIFIED PROPERTY” MEANS REAL PROPERTY THAT IS:**~~

~~1. **NOT USED FOR RESIDENTIAL PURPOSES;**~~

~~2. USED IN A TRADE OR BUSINESS BY A BUSINESS ENTITY THAT MEETS THE REQUIREMENTS OF ARTICLE 83A, § 5-2004 OF THE CODE; AND~~

~~3. LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS DESIGNATED UNDER ARTICLE 83A, § 5-2002 OF THE CODE.~~

~~(H) "QUALIFIED PROPERTY" INCLUDES PERSONAL PROPERTY ON REAL PROPERTY THAT IS LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE.~~

(8) "QUALIFIED PROPERTY" MEANS REAL PROPERTY THAT IS:

(I) LOCATED IN A BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS DESIGNATED UNDER TITLE 5, SUBTITLE 12 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND

(II) IN ONE OF THE CATEGORIES OF COMMERCIAL OR RESIDENTIAL PROPERTY THAT THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT HAS DETERMINED, IN CONSULTATION WITH THE BASE REALIGNMENT AND CLOSURE SUBCABINET AND AS PROVIDED IN REGULATIONS ADOPTED BY THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, ENHANCE THE ECONOMIC DEVELOPMENT OF THE BRAC REVITALIZATION AND INCENTIVE ZONE.

~~(7)~~ (9) "TAX INCREMENT FINANCING BONDS" MEANS BONDS ISSUED:

(I) BY A COUNTY OR MUNICIPAL CORPORATION UNDER ARTICLE 41, TITLE 14, SUBTITLE 2 OF THE CODE TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT ARTICLE; OR

(II) BY BALTIMORE CITY UNDER ARTICLE II, § 62 OF THE CHARTER OF BALTIMORE CITY.

~~(B) (1) IF APPROVED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION SHALL GRANT A TAX CREDIT UNDER THIS SUBSECTION AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED PROPERTY.~~

~~(2) UNLESS THE COUNTY IN WHICH A MUNICIPAL CORPORATION IS LOCATED AGREES TO THE DESIGNATION OF A BRAC REVITALIZATION AND INCENTIVE ZONE IN THE MUNICIPAL CORPORATION, QUALIFIED PROPERTY IN THE MUNICIPAL CORPORATION MAY NOT RECEIVE A TAX CREDIT AGAINST COUNTY PROPERTY TAX.~~

~~(3) (I) THE APPROPRIATE GOVERNING BODY SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SUBSECTION EQUAL TO 80% OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY FOR EACH OF THE 10 TAXABLE YEARS FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.~~

~~(II) THE DEPARTMENT SHALL ALLOCATE THE ELIGIBLE ASSESSMENT TO THE NONRESIDENTIAL PART OF THE QUALIFIED PROPERTY AT THE SAME PERCENTAGE AS THE SQUARE FOOTAGE OF THE NONRESIDENTIAL PART IS TO THE TOTAL SQUARE FOOTAGE OF THE BUILDING.~~

~~(III) FOR PURPOSES OF CALCULATING THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION, THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT SHALL BE CALCULATED WITHOUT REDUCTION FOR ANY CREDITS ALLOWED UNDER THIS TITLE.~~

~~(4) A TAX CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A QUALIFIED PROPERTY FOR NO MORE THAN 10 CONSECUTIVE YEARS BEGINNING WITH THE TAXABLE YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE REAL PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.~~

~~(5) WHEN A BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, THE APPROPRIATE GOVERNING BODY SHALL CERTIFY TO THE DEPARTMENT:~~

~~(I) ANY REAL PROPERTY IN THE BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS QUALIFIED PROPERTY FOR EACH TAXABLE YEAR FOR WHICH THE PROPERTY TAX CREDIT UNDER THIS SUBSECTION SHALL BE GRANTED; AND~~

~~(II) THE DATE THAT THE REAL PROPERTY BECAME A QUALIFIED PROPERTY.~~

~~(6) BEFORE PROPERTY TAX BILLS ARE SENT, THE DEPARTMENT SHALL SUBMIT TO THE APPROPRIATE GOVERNING BODY A LIST OF:~~

~~(I) EACH QUALIFIED PROPERTY;~~

~~(II) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH QUALIFIED PROPERTY; AND~~

~~(III) THE AMOUNT OF THE ELIGIBLE ASSESSMENT FOR EACH QUALIFIED PROPERTY.~~

~~(7) AS PROVIDED IN THE STATE BUDGET, THE STATE SHALL REMIT TO EACH COUNTY OR MUNICIPAL CORPORATION AN AMOUNT EQUAL TO ONE HALF OF THE FUNDS THAT WOULD HAVE BEEN COLLECTED IF THE PROPERTY TAX CREDIT UNDER THIS SUBSECTION HAD NOT BEEN GRANTED.~~

~~(8) (I) QUARTERLY OR MORE FREQUENTLY, THE COUNTY OR MUNICIPAL CORPORATION SHALL SUBMIT A REQUEST TO THE DEPARTMENT FOR THE AMOUNT REQUIRED BY PARAGRAPH (7) OF THIS SUBSECTION.~~

~~(II) WITHIN 5 WORKING DAYS AFTER THE DEPARTMENT RECEIVES THE REQUEST FROM THE COUNTY OR MUNICIPAL CORPORATION, THE DEPARTMENT SHALL CERTIFY TO THE COMPTROLLER THE REIMBURSEMENT DUE TO EACH COUNTY OR MUNICIPAL CORPORATION.~~

~~(III) WITHIN 5 WORKING DAYS AFTER THE COMPTROLLER RECEIVES THE CERTIFICATION FROM THE DEPARTMENT, THE COMPTROLLER SHALL REIMBURSE EACH COUNTY OR MUNICIPAL CORPORATION.~~

~~(C) (1) IF APPROVED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, A POLITICAL SUBDIVISION THAT ESTABLISHES A BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS DESIGNATED BY THE SECRETARY UNDER ARTICLE 83A, § 5-2002 OF THE CODE MAY PLEDGE TOWARDS THE REPAYMENT OF TAX INCREMENT FINANCING BONDS THE AMOUNTS REMITTED TO THE LOCAL JURISDICTION UNDER PARAGRAPH (2) OF THIS SUBSECTION.~~

~~(2) IF APPROVED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT AND AS PROVIDED IN THE STATE BUDGET, FOR EACH FISCAL YEAR FOR A PERIOD OF 10 CONSECUTIVE FISCAL YEARS, THE STATE SHALL REMIT TO THE POLITICAL SUBDIVISION ESTABLISHING THE BRAC REVITALIZATION AND INCENTIVE ZONE AN AMOUNT EQUAL TO THE STATE PROPERTY TAX INCREMENT ON THE QUALIFIED PROPERTIES IN THE BRAC REVITALIZATION AND INCENTIVE ZONE.~~

~~(3) WHEN A BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, THE APPROPRIATE GOVERNING BODY SHALL CERTIFY TO THE DEPARTMENT:~~

~~(I) ANY REAL PROPERTY IN THE BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS A QUALIFIED PROPERTY FOR EACH TAXABLE YEAR FOR WHICH THE STATE PROPERTY TAX INCREMENT UNDER THIS SUBSECTION IS TO BE REMITTED; AND~~

~~(II) THE DATE THAT THE REAL PROPERTY BECAME A QUALIFIED PROPERTY.~~

~~(4) BEFORE PROPERTY TAX BILLS ARE SENT, THE DEPARTMENT SHALL SUBMIT TO THE APPROPRIATE GOVERNING BODY A LIST OF:~~

~~(I) EACH QUALIFIED PROPERTY;~~

~~(II) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH QUALIFIED PROPERTY; AND~~

~~(III) THE AMOUNT OF THE ELIGIBLE ASSESSMENT FOR EACH QUALIFIED PROPERTY.~~

~~(5) (I) QUARTERLY OR MORE FREQUENTLY, THE COUNTY OR MUNICIPAL CORPORATION SHALL SUBMIT A REQUEST TO THE DEPARTMENT FOR THE AMOUNT REQUIRED BY PARAGRAPH (2) OF THIS SUBSECTION.~~

~~(II) WITHIN 5 WORKING DAYS AFTER THE DEPARTMENT RECEIVES THE REQUEST FROM THE COUNTY OR MUNICIPAL CORPORATION, THE DEPARTMENT SHALL CERTIFY TO THE COMPTROLLER THE REIMBURSEMENT DUE TO EACH COUNTY OR MUNICIPAL CORPORATION.~~

~~(III) WITHIN 5 WORKING DAYS AFTER THE COMPTROLLER RECEIVES THE CERTIFICATION FROM THE DEPARTMENT, THE COMPTROLLER SHALL REIMBURSE EACH COUNTY OR MUNICIPAL CORPORATION.~~

~~(6) THIS SUBSECTION DOES NOT LIMIT OR OTHERWISE AFFECT ANY AUTHORITY OF A POLITICAL SUBDIVISION UNDER ANY OTHER PROVISION OF LAW TO PLEDGE ANY OTHER ASSETS OR REVENUES TOWARDS THE REPAYMENT OF TAX INCREMENT FINANCING BONDS.~~

~~(D) (1) IF APPROVED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, A POLITICAL SUBDIVISION THAT ESTABLISHES A BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS APPROVED BY THE SECRETARY UNDER ARTICLE 83A, § 5-2003 OF THE CODE AND LOCATED WITHIN AN ENTERPRISE ZONE MAY PLEDGE TOWARDS THE REPAYMENT OF TAX INCREMENT FINANCING BONDS THE AMOUNTS REMITTED TO THE LOCAL JURISDICTION UNDER PARAGRAPH (2) OF THIS SUBSECTION.~~

~~(2) IF APPROVED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT AND AS PROVIDED IN THE STATE BUDGET, FOR EACH FISCAL YEAR FOR A PERIOD OF 10 CONSECUTIVE FISCAL YEARS, THE STATE SHALL REMIT TO THE POLITICAL SUBDIVISION ESTABLISHING THE BRAC REVITALIZATION AND INCENTIVE ZONE AN AMOUNT EQUAL TO ONE HALF OF THE FUNDS THAT ARE COLLECTED BY THE STATE ON BEHALF OF THE COUNTY OR MUNICIPAL CORPORATION ASSESSING THE TAX, AS THE LOCAL PROPERTY TAX INCREMENT ON QUALIFIED PROPERTIES IN THE BRAC REVITALIZATION AND INCENTIVE ZONE.~~

~~(3) (I) QUARTERLY OR MORE FREQUENTLY, THE COUNTY OR MUNICIPAL CORPORATION SHALL SUBMIT A REQUEST TO THE DEPARTMENT FOR THE AMOUNT REQUIRED BY PARAGRAPH (2) OF THIS SUBSECTION.~~

~~(II) WITHIN 5 WORKING DAYS AFTER THE DEPARTMENT RECEIVES THE REQUEST FROM THE COUNTY OR MUNICIPAL CORPORATION, THE DEPARTMENT SHALL CERTIFY TO THE COMPTROLLER THE REIMBURSEMENT DUE TO EACH COUNTY OR MUNICIPAL CORPORATION.~~

~~(III) WITHIN 5 WORKING DAYS AFTER THE COMPTROLLER RECEIVES THE CERTIFICATION FROM THE DEPARTMENT, THE COMPTROLLER SHALL REIMBURSE EACH COUNTY OR MUNICIPAL CORPORATION.~~

~~(4) THIS SUBSECTION DOES NOT LIMIT OR OTHERWISE AFFECT ANY AUTHORITY OF A POLITICAL SUBDIVISION UNDER ANY OTHER PROVISION OF LAW TO PLEDGE ANY OTHER ASSETS OR REVENUES TOWARDS THE REPAYMENT OF TAX INCREMENT FINANCING BONDS.~~

~~(E) IF APPROVED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, A POLITICAL SUBDIVISION THAT ESTABLISHES A BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS APPROVED BY THE SECRETARY UNDER ARTICLE 83A, § 5-2002 OF THE CODE MAY OPT TO EXCLUDE PERSONAL PROPERTY FROM THE TAX CREDIT PROVIDED UNDER SUBSECTION (B) OF THIS SECTION.~~

(B) (1) THE AMOUNTS RECEIVED BY A POLITICAL SUBDIVISION UNDER THIS SECTION MAY BE USED ONLY FOR THE PURPOSES PROVIDED IN § 5-1206 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(2) SUBJECT TO SUBSECTIONS (C) AND (F) OF THIS SECTION, FOR EACH FISCAL YEAR FOR A PERIOD OF 10 CONSECUTIVE FISCAL YEARS BEGINNING IN FISCAL 2010, THE STATE SHALL PROVIDE TO EACH POLITICAL SUBDIVISION IN WHICH A BRAC REVITALIZATION AND INCENTIVE ZONE HAS BEEN ESTABLISHED AN AMOUNT EQUAL TO:

(I) THE STATE PROPERTY TAX INCREMENT ON THE QUALIFIED PROPERTIES IN THE BRAC REVITALIZATION AND INCENTIVE ZONE; AND

(II) ONE-HALF OF THE POLITICAL SUBDIVISION'S PROPERTY TAX INCREMENT ON QUALIFIED PROPERTIES, DETERMINED USING THE BRAC REVITALIZATION AND INCENTIVE ZONE TAX RATE FOR THE POLITICAL SUBDIVISION.

(C) (1) THE TOTAL AMOUNT PAID TO ALL POLITICAL SUBDIVISIONS FOR ANY FISCAL YEAR UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:

(I) THE AMOUNT APPROPRIATED FOR THE PURPOSE OF THIS SECTION FOR THAT FISCAL YEAR IN THE STATE BUDGET AS APPROVED BY THE GENERAL ASSEMBLY; OR

(II) ~~\$10,000,000~~ \$5,000,000.

(2) IF THE TOTAL AMOUNT TO BE PAID TO ALL POLITICAL SUBDIVISIONS AS DETERMINED UNDER SUBSECTION (B)(2) OF THIS SECTION WITHOUT REGARD TO THE LIMITATION UNDER PARAGRAPH (1) OF THIS SUBSECTION EXCEEDS THE ~~LIMIT~~ LIMITATION UNDER PARAGRAPH (1) OF THIS SUBSECTION, EACH POLITICAL SUBDIVISION SHALL RECEIVE AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE AMOUNT DETERMINED FOR THAT POLITICAL SUBDIVISION UNDER SUBSECTION (B)(2) OF THIS SECTION TIMES A FRACTION:

(I) THE NUMERATOR OF WHICH IS THE ~~LIMIT~~ LIMITATION UNDER PARAGRAPH (1) OF THIS SUBSECTION; AND

(II) THE DENOMINATOR OF WHICH IS THE TOTAL AMOUNT TO BE PAID TO ALL SUBDIVISIONS AS DETERMINED UNDER SUBSECTION (B)(2)

OF THIS SECTION WITHOUT REGARD TO THE LIMITATION UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(D) (1) AFTER A BRAC REVITALIZATION AND INCENTIVE ZONE IS DESIGNATED BY THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE APPROPRIATE GOVERNING BODY SHALL CERTIFY TO THE DEPARTMENT:

(I) ANY REAL PROPERTY IN THE BRAC REVITALIZATION AND INCENTIVE ZONE THAT IS QUALIFIED PROPERTY FOR THE NEXT TAXABLE YEAR; AND

(II) THE DATE THAT THE REAL PROPERTY BECAME QUALIFIED PROPERTY.

(2) (I) ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL CALCULATE THE AMOUNT DETERMINED FOR EACH POLITICAL SUBDIVISION UNDER SUBSECTION (B)(2) OF THIS SECTION FOR THE NEXT FISCAL YEAR.

(II) THE COMPTROLLER SHALL PAY THE AMOUNTS DUE THE POLITICAL SUBDIVISIONS UNDER THIS SECTION QUARTERLY.

(E) ANY AMOUNT PROVIDED UNDER THIS SECTION DOES NOT LIMIT OR OTHERWISE AFFECT ANY AUTHORITY OF A POLITICAL SUBDIVISION UNDER ANY OTHER PROVISION OF LAW TO PLEDGE ANY OTHER ASSETS OR REVENUES TOWARDS THE REPAYMENT OF TAX INCREMENT FINANCING BONDS.

(F) (1) THIS SUBSECTION APPLIES ONLY TO A POLITICAL SUBDIVISION THAT IS AUTHORIZED UNDER § 7-211.3 OF THIS ARTICLE TO ENTER INTO A PAYMENT IN LIEU OF TAX AGREEMENT WITH A PRIVATE DEVELOPER OF FEDERAL ENCLAVE PROPERTY.

(2) THE STATE MAY NOT PROVIDE ~~FUNDS~~ AMOUNTS UNDER THIS SECTION TO A POLITICAL SUBDIVISION UNTIL, IN THE JUDGMENT OF THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, THE LOCAL JURISDICTION HAS ENTERED INTO GOOD-FAITH NEGOTIATIONS FOR A PAYMENT IN LIEU OF TAX AGREEMENT WITH ALL PRIVATE DEVELOPERS OF FEDERAL ENCLAVE PROPERTY.

(G) THE DEPARTMENT AND THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT JOINTLY SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION AND TO SPECIFY CRITERIA AND

PROCEDURES FOR APPLICATION, APPROVAL, AND MONITORING THE ELIGIBILITY FOR THE AMOUNTS UNDER THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

~~Article 83A—Department of Business and Economic Development~~

~~5-404.~~

~~(D) (1) EXCEPT FOR A BUSINESS ENTITY CERTIFIED TO RECEIVE A PROPERTY TAX CREDIT UNDER § 9-103 OF THE TAX—PROPERTY ARTICLE FOR A TAX YEAR BEGINNING BEFORE JULY 1, 2008, NOTWITHSTANDING SUBSECTION (E) OF THIS SECTION, A BUSINESS ENTITY LOCATED WITHIN AN ENTERPRISE ZONE MAY NOT RECEIVE THE INCENTIVES AND INITIATIVES SET FORTH IN SUBSECTION (A)(1) AND (2) OF THIS SECTION IF THE ENTITY IS LOCATED ON LAND OR WITHIN IMPROVEMENTS OWNED BY THE FEDERAL, STATE, COUNTY, OR MUNICIPAL GOVERNMENT UNLESS THE BUSINESS ENTITY HAS FIRST UTILIZED ALL APPLICABLE PROPERTY TAX EXEMPTIONS UNDER TITLE 7 OF THE TAX—PROPERTY ARTICLE, INCLUDING ENTERING INTO ANY AVAILABLE PAYMENT IN LIEU OF TAX AGREEMENT.~~

~~(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO A BUSINESS ENTITY LEASING LAND OR IMPROVEMENTS OWNED BY THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION, CREATED UNDER ARTICLE 83A, § 5-203 OF THE CODE.~~

~~[(d)] (E) Except as provided in § 10-702 of the Tax—General Article and § 9-103 of the Tax—Property Article, the incentives and initiatives set forth in this section shall be available for a period of 10 years following the date on which the area is designated an enterprise zone pursuant to § 5-402 of this subtitle. No law hereinafter enacted that eliminates or reduces the benefits available to business entities under this section shall be applicable to any business entity located in an enterprise zone prior to the effective date of such law.~~

Article – Tax – Property

~~7-211.~~

~~(a) (1) In this subsection, “national defense” includes homeland security.~~

~~(2) An interest of a person in personal property of the federal government or of the State is not subject to property tax if the person holds an interest in the property under a contract with the federal government or the State for:~~

~~(i) manufacturing, constructing, or assembling equipment, supplies, or component parts for national defense purposes; or~~

~~(ii) research or development for national defense purposes.~~

~~(3) An interest of a person in personal property or real property of the federal government or of the State is not subject to property tax if that property:~~

~~(i) is situated on land that is owned by the federal government and located within the defined boundaries of a military installation; and~~

~~(ii) is used for [national defense purposes or for] housing for military personnel and their families.~~

(c) [An] **EXCEPT FOR AN INTEREST IN FEDERAL ENCLAVE PROPERTY AS DEFINED IN § 7-211.3 OF THIS SUBTITLE, AN** interest of a person in any property of the federal government or the State is not subject to property tax, if the government that owns the property makes negotiated payments in lieu of tax payments.

(D) LAND OWNED BY THE FEDERAL GOVERNMENT THAT IS THE LOCATION FOR FEDERAL ENCLAVE PROPERTY AS DEFINED IN § 7-211.3 OF THIS SUBTITLE IS NOT SUBJECT TO PROPERTY TAX.

~~7-211.2.~~

~~(a) In this section, “national defense” includes homeland security.~~

~~(b) Personal property or real property is not subject to property tax if the federal government holds at least a 50% interest in the property, or the entity that owns the property, and the property:~~

~~(1) is situated on land that is owned by the federal government and located within the defined boundaries of a military installation; and~~

~~(2) is used for [national defense purposes or for] housing for military personnel and their families.~~

7-211.3.

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

(2) **“FEDERAL ENCLAVE PROPERTY” MEANS REAL PROPERTY IMPROVEMENTS OR AN INTEREST IN REAL PROPERTY IMPROVEMENTS:**

(I) THAT ~~IS~~ ARE LOCATED WITHIN THE DEFINED BOUNDARIES OF FEDERALLY OWNED LAND WHERE:

1. THE FEDERAL JURISDICTION WOULD PRECLUDE TAXATION BY THE STATE; AND

2. THE FEDERAL GOVERNMENT HAS WAIVED ITS IMMUNITY FROM STATE PROPERTY TAXATION BY LAW OR OTHER FORM OF CONSENT;

(II) THAT ~~IS~~ ARE EITHER:

1. OWNED BY A PERSON OTHER THAN THE FEDERAL GOVERNMENT; OR

2. HELD BY A PERSON THAT IS TAXABLE UNDER § 6-102(E) OF THIS ARTICLE; AND

(III) THAT ~~IS~~ ARE NOT OTHERWISE EXEMPT UNDER THIS TITLE OR ANY OTHER PROVISION OF LAW.

(IV) “FEDERAL ENCLAVE PROPERTY” DOES NOT INCLUDE ANY PROPERTY OWNED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS THAT IS LEASED TO A PERSON THROUGH AN ENHANCED USE LEASE.

(3) “LOCAL JURISDICTION” MEANS A COUNTY AND, WHERE APPROPRIATE, A MUNICIPAL CORPORATION IN WHICH FEDERAL ENCLAVE PROPERTY IS LOCATED.

~~(3)~~ (4) “PRIVATE DEVELOPER” MEANS A PERSON, OTHER THAN THE FEDERAL GOVERNMENT OR AN AGENCY THEREOF, THAT OWNS FEDERAL ENCLAVE PROPERTY OR HOLDS AN INTEREST OR PRIVILEGE UNDER § 6-102(E) OF THIS ARTICLE IN FEDERAL ENCLAVE PROPERTY.

(B) (1) SUBJECT TO THE PROVISIONS OF THIS SECTION, ~~THE MARYLAND DEPARTMENT OF TRANSPORTATION AND~~ ON INITIATION BY THE LOCAL JURISDICTION WHERE THE FEDERAL ENCLAVE PROPERTY IS LOCATED, THE LOCAL JURISDICTION AND THE STATE MAY JOINTLY ENTER INTO A PAYMENT AGREEMENT IN LIEU OF A TAX AGREEMENT WITH THE FEDERAL GOVERNMENT OR A PRIVATE DEVELOPER FOR FEDERAL ENCLAVE PROPERTY.

(2) AN AGREEMENT AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS NOT EFFECTIVE UNTIL IT IS APPROVED BY THE FEDERAL GOVERNMENT.

(3) (I) A LOCAL JURISDICTION SHALL INITIATE ANY DISCUSSIONS TO NEGOTIATE A PAYMENT IN LIEU OF TAX AGREEMENT WITH A PRIVATE DEVELOPER OF FEDERAL ENCLAVE PROPERTY NO LATER THAN 30 DAYS AFTER RECEIVING WRITTEN NOTICE BY THE PRIVATE DEVELOPER OR THE FEDERAL GOVERNMENT THAT A DEVELOPMENT HAS BEEN PROPOSED FOR THE FEDERAL ENCLAVE PROPERTY.

(II) WHEN ANY DISCUSSIONS TO NEGOTIATE A PAYMENT IN LIEU OF TAX AGREEMENT HAVE COMMENCED, THE MARYLAND DEPARTMENT OF TRANSPORTATION SHALL NOTIFY THE LEGISLATIVE POLICY COMMITTEE WITHIN 30 DAYS.

~~(2)~~ (4) FEDERAL ENCLAVE PROPERTY IS NOT SUBJECT TO PROPERTY TAX IF ~~THE FEDERAL GOVERNMENT OR~~ A PRIVATE DEVELOPER ENTERS INTO A ~~NEGOTIATED PAYMENT AGREEMENT~~ IN LIEU OF A TAX AGREEMENT WITH THE ~~MARYLAND DEPARTMENT OF TRANSPORTATION~~ STATE AND THE LOCAL JURISDICTION WHERE THE FEDERAL ENCLAVE PROPERTY IS LOCATED.

~~(3)~~ (5) THE PARTIES TO AN AGREEMENT UNDER THIS SUBSECTION ~~AND THE FEDERAL GOVERNMENT~~ SHALL CONSIDER THE TOTAL IMPACT AND BENEFITS OF THE DEVELOPMENT OF THE FEDERAL ENCLAVE PROPERTY ON THE STATE AND ON LOCAL JURISDICTIONS, INCLUDING BUT NOT LIMITED TO:

(I) THE IMPACT ON LOCAL AND REGIONAL TRANSPORTATION;

(II) FUTURE ECONOMIC DEVELOPMENT;

(III) THE FINANCIAL RESOURCES OF THE LOCAL JURISDICTION;

(IV) THE ENVIRONMENT;

(V) NATURAL RESOURCE ALLOCATION;

(VI) INFRASTRUCTURE CAPACITY;

(VII) EMPLOYMENT;

(VIII) DISADVANTAGED BUSINESS ENTERPRISES, MINORITY BUSINESS ENTERPRISES, AND SMALL BUSINESS ENTERPRISES; ~~AND~~

(IX) THE AVAILABILITY AND USE OF PUBLIC SERVICES;

(X) IN-KIND CONTRIBUTIONS RELATED TO THE DEVELOPMENT, INCLUDING THE SERVICES, FACILITIES, PERSONAL AND REAL PROPERTY, TRAFFIC MITIGATION, RIGHTS-OF-WAY, AND OTHER ASSETS AND BENEFITS OF THE FEDERAL GOVERNMENT OR THE PRIVATE DEVELOPER MADE AVAILABLE TO AND USED BY THE PUBLIC; AND

~~(IX)~~ (XI) ANY OTHER MATTER IMPACTED BY THE DEVELOPMENT OF THE FEDERAL ENCLAVE PROPERTY.

~~(4)~~ (6) (I) AN AGREEMENT UNDER THIS SUBSECTION SHALL BE APPROVED AND SIGNED BY THE MARYLAND DEPARTMENT OF TRANSPORTATION, ON BEHALF OF THE STATE, ANY PARTY RESPONSIBLE FOR MAKING A REQUIRED PAYMENT OR FULFILLING ANY OTHER PROVISION OF THE AGREEMENT, AND THE GOVERNING BODY OF THE LOCAL JURISDICTION WHERE THE FEDERAL ENCLAVE PROPERTY IS LOCATED.

(II) THE MARYLAND DEPARTMENT OF TRANSPORTATION SHALL SEEK CONSULTATION WITH ANY LOCAL JURISDICTION IMPACTED BY THE DEVELOPMENT OF THE FEDERAL ENCLAVE PROPERTY.

~~(5)~~ (7) THE ~~FEDERAL GOVERNMENT OR THE~~ PRIVATE DEVELOPER SHALL MAKE A PAYMENT, IF ANY, IN LIEU OF PROPERTY TAXES TO THE COUNTY TAX COLLECTOR FOR THE COUNTY WHERE THE FEDERAL ENCLAVE PROPERTY IS LOCATED IN AN AMOUNT AND AT A TIME DETERMINED BY THE AGREEMENT UNDER THIS SUBSECTION.

(8) THE PAYMENT REQUIRED BY AN AGREEMENT UNDER THIS SUBSECTION MAY NOT EXCEED THE PROPERTY TAX THAT WOULD OTHERWISE BE DUE TO THE STATE AND LOCAL JURISDICTION IF THE PAYMENT IN LIEU OF TAX AGREEMENT WERE NOT IN EFFECT.

~~(6)~~ (9) THE PAYMENT RECEIVED UNDER PARAGRAPH ~~(5)~~ (7) OF THIS SUBSECTION SHALL BE DISTRIBUTED BY THE TAX COLLECTOR IN ACCORDANCE WITH THE AGREEMENT UNDER THIS SUBSECTION TO:

(I) A DEDICATED FUND SPECIFICALLY DESIGNATED IN THE AGREEMENT AS A CONTRIBUTION TO THE COST OF A SPECIFIC PUBLIC

IMPROVEMENT ASSOCIATED WITH THE DEVELOPMENT OF THE FEDERAL ENCLAVE PROPERTY; OR

(II) THE STATE, COUNTY, AND, IF APPLICABLE, MUNICIPAL CORPORATION WHERE THE FEDERAL ENCLAVE PROPERTY IS LOCATED IN THE RATIO STATED IN THE AGREEMENT.

~~(7)~~ **(10) AN AGREEMENT UNDER THIS SUBSECTION MAY PROVIDE FOR ABATING OR REDUCING PROPERTY TAX PREVIOUSLY IMPOSED ON THE FEDERAL ENCLAVE PROPERTY.**

~~(8)~~ **(11) THE ~~DEPARTMENT AND THE~~ MARYLAND DEPARTMENT OF TRANSPORTATION MAY ADOPT ~~RULES AND~~ REGULATIONS TO IMPLEMENT THIS SECTION, IN CONSULTATION WITH:**

(I) THE DEPARTMENT;

(II) THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT;

(III) THE DEPARTMENT OF THE ENVIRONMENT;

(IV) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; AND

(V) THE DEPARTMENT OF PLANNING.

7-501.

(b) [In] **EXCEPT FOR AN INTEREST IN FEDERAL ENCLAVE PROPERTY AS DEFINED IN § 7-211.3 OF THIS TITLE, IN all counties except Worcester County, the governing body of the county or of a municipal corporation in those counties or the Mayor and City Council of Baltimore City may authorize, by law, an exemption from county or municipal corporation property tax for the property described in § 6-102(e) of this article and provide for a negotiated payment in lieu of the tax.**

9-103.

(a) (5) (I) “Eligible assessment” means the difference between the base year value and the actual value as determined by the Department for the applicable taxable year in which the tax credit under this section is to be granted.

(II) FOR A BUSINESS ENTITY THAT IS LOCATED ON LAND OR WITHIN IMPROVEMENTS OWNED BY THE FEDERAL, STATE, COUNTY, OR

MUNICIPAL GOVERNMENT, "ELIGIBLE ASSESSMENT" MEANS THE DIFFERENCE BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE REDUCED BY THE VALUE OF ANY PROPERTY ENTITLED TO AN EXEMPTION UNDER TITLE 7 OF THIS ARTICLE AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

~~SECTION 3. AND BE IT FURTHER ENACTED, That § 10-726 of the Tax General Article, as enacted by this Act, shall be applicable to all taxable years beginning after December 31, 2007.~~

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The Department of Business and Economic Development, in consultation with the Department of Assessments and Taxation, shall prepare a report that outlines:

(1) the enhanced use lease projects, or other private development projects, on federal enclave property in the State that are proposed or in development;

(2) the extent to which the enhanced use lease projects, or other private development projects, on federal enclave property may be subject to State and local property taxation;

(3) the status of any payment in lieu of tax agreement negotiations between local jurisdictions, the State, and private developers for projects on federal enclave property; and

(4) recommendations, if any, for incentives that would encourage payment in lieu of tax agreements between local jurisdictions, the State, and private developers for projects on federal enclave property.

(b) The Department shall submit the report required under subsection (a) of this section to the Governor and, subject to § 2-1246 of the State Government Article, to the Senate Budget and Taxation Committee and the House Committee on Ways and Means on or before December 15, 2008.

~~SECTION 4. AND BE IT FURTHER ENACTED, That §§ 7-211(a) and (e), 7-211.2, 7-211.3, 7-501(b), 9-103(a)(5), and 9-110 of the Tax Property Article, as enacted by this Act, Section 2 of this Act shall be applicable to all taxable years beginning after June 30, 2008.~~

SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect October 1, 2008.

SECTION ~~5~~ 6. AND BE IT FURTHER ENACTED, That, except as provided in Section 5 of this Act, this Act shall take effect June 1, 2008.

Approved by the Governor, May 13, 2008.