

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

1998 Legislative Session

Bill No. CB-79-1998

Chapter No. 56

Proposed and Presented by Chairman (by request – County Executive)

Introduced by Council Members Del Giudice and Scott

Co-Sponsors _____

Date of Introduction June 23, 1998

BILL

1 AN ACT concerning

2 High Technology Facilities

3 For the purpose of establishing a property tax credit for certain new or expanding
4 manufacturing, fabrication, assembling, or research and development facilities in Prince George's
5 County.

6 BY adding:

7 SUBTITLE 10. FINANCE AND TAXATION.

8 Section 10-235.05,

9 The Prince George's County Code

10 (1995 Edition, 1997 Supplement).

11 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
12 Maryland, that Section 10-235.05 of the Prince George's County Code be and the same is hereby
13 added:

14 SUBTITLE 10. FINANCE AND TAXATION.

15 DIVISION 8. TAX ASSESSMENT, LEVY, AND COLLECTION.

16 Subdivision 5D. Manufacturing, Fabrication, Assembling, and Research and Development

17 Facilities Real Property Tax Credit.

18 Sec. 10-235.05. Tax credits for manufacturing, fabrication, assembling and research and
19 development facilities.

20 (a) In accordance with the provisions of Section 9-205 of the Tax-Property Article of the
21 Annotated Code of Maryland, there is a tax credit against the property tax imposed on real

1 property that is used as the premises of manufacturing, fabricating, or assembling facilities that
2 locate or expand in the County and meet the qualifications herein. As used in this Section, "high
3 technology" means any business entity that is primarily involved with the applications of
4 engineering, life sciences, computer sciences, research and development, or produces materials,
5 parts or equipment used in the type of applications noted above. (b) To qualify for a real
6 property tax credit under this Section, a business entity must:

7 (1) be primarily involved in high technology manufacturing, fabrication, assembling,
8 or research and development, as determined by the County Executive applying the criteria set
9 forth in the regulations;

10 (2) construct, expand, or cause to be constructed or expanded, a building or buildings
11 within the County, to include at least 5,000 square feet of gross floor area (as defined in Subtitle
12 27 of this Code) to be occupied by said business entity;

13 (3) invest at least \$500,000 in the construction or expansion of said building or
14 buildings; and

15 (4) create at least ten (10) new permanent full-time positions for said business entity, to
16 be located within said building or buildings. Neither the relocation of an existing position from
17 any other location within the County to the new or expanded building or buildings, nor the
18 reclassification of a pre-existing position shall constitute new positions for the purposes of this
19 Section.

20 (c) For the first tax year immediately following the year in which the construction or
21 expansion is completed and assessed, the tax credit shall be in an amount equal to one hundred
22 percent (100%) of the amount of the County property tax imposed on the increased assessment
23 attributable to the construction or expansion as determined by the Supervisor of Assessment.
24 The tax credit shall be reduced to eighty percent (80%) in the second taxable year, sixty percent
25 (60%) in the third taxable year, forty percent (40%) in the fourth, twenty percent (20%) in the
26 fifth year and zero percent (0%) each taxable year thereafter. If the subject new or expanded
27 building or buildings are leased to an eligible business entity, the lessor shall reduce by the
28 amount of the tax credit computed under this Section the taxes for which the eligible business
29 entity is contractually liable under a lease agreement. A property tax granted hereunder may not
30 be granted for more than five (5) consecutive years. The total value of the tax credit over five (5)
31 years may not exceed an amount equal to one hundred percent (100%) of the cost of the

1 construction or expansion.

2 (d) A real property tax credit shall not be granted under this Section if the new or expanded
 3 premises have otherwise been granted a tax credit or exemption under the Tax-Property Article,
 4 Annotated Code of Maryland or the County Code for the taxable year;

5 (e) Application for the tax credit established herein shall be made under oath on an
 6 application provided by the Director of Finance. The application shall provide a legal description
 7 of the property, proof of a properly issued use and occupancy permit applicable to the eligible
 8 improvements, and such other information or documentation as the Director may require to
 9 determine whether the applicant can qualify for the tax credit. (f) The Director of
 10 Finance shall determine the eligibility of the taxpayer for the tax credit and notify the State
 11 Department of Assessments and Taxation that a taxpayer has been approved for the property tax
 12 credit and the assessed value of the new or expanded premises.

13 (g) The Director of Finance shall verify that the taxpayer continues to satisfy the applicable
 14 thresholds to qualify for the property tax credit by requiring submission of reports by the taxpayer,
 15 as the Director deems necessary.

16 (h) A taxpayer that fails to satisfy the applicable threshold to qualify for a property tax credit
 17 required under this Section during any year in which a credit was earned must repay the tax credit
 18 to the County

19 (1) The Director of Finance shall notify the taxpayer of the failure to qualify and that
 20 the credit must be repaid and collect the repayment of the tax credit.

21 (2) Interest accrues on the tax credit repayment at the rate established for overdue
 22 property taxes from 30 days after the date of notification by the Finance Director.

23 (i) The County Executive shall propose regulations to implement this Section for adoption
 24 by resolution of Council.

25 SECTION 2. BE IT FURTHER ENACTED that the tax credit authorized in Section
 26 10-235.05 shall be granted only for applications filed on or before July 1, 2001.

27 SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)
 28 calendar days after it becomes law.

Adopted this 28th day of July, 1998.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Ronald V. Russell
Chair

ATTEST:

Joyce T. Sweeney
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Wayne K. Curry
County Executive

KEY:
Underscoring indicates language added to existing law.
[Brackets] indicate language deleted from existing law.
Asterisks *** indicate intervening existing Code provisions that remain unchanged.