

Bill No. 30-13
Concerning: Taxation – Property Tax
Credit – Burtonsville Enterprise Zone
Property
Revised: 12/3/2013 Draft No. 2
Introduced: November 5, 2013
Enacted: December 10, 2013
Executive: December 17, 2013
Effective: March 18, 2014
Sunset Date: None
Ch. 35, Laws of Mont. Co. 2013

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmember Ervin, Council Vice-President Rice, Councilmembers Berliner, Elrich,
and Floreen, Council President Navarro, and Councilmembers Leventhal, Riemer, and Andrews

AN ACT to:

- (1) create a property tax credit for certain property located in the Burtonsville Crossroads Neighborhood Plan; and
- (2) generally amend the law relating to property tax credits.

By adding

Montgomery County Code
Chapter 52, Taxation
Section 52-18T

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 52-18T is added as follows:**

2 ~~[[52-18T]]~~ **52-18U. Burtonsville Enterprise Zone Property.**

3 (a) Definitions. In this Section, the following words have the meanings
4 indicated:

5 Base year means the taxable year immediately before the taxable year in
6 which a credit under this Section is to be granted.

7 Base year value means the value of the property used to determine the
8 assessment on which the property tax on real property was imposed for
9 the base year. Base year value does not include any new real property
10 that was first assessed in the base year.

11 Eligible assessment means the difference between the base year value
12 and the actual value as determined by the Department for the applicable
13 taxable year in which the tax credit under this Section is to be granted.

14 Eligible business entity means a person who operates or conducts a
15 trade or business on qualified enterprise zone property but does not own
16 the qualified enterprise zone property.

17 Qualified property means real property that:

18 (1) is located within the area encompassed by the Burtonsville
19 Crossroads neighborhood Plan developed by the Montgomery
20 County Planning Department;

21 (2) is zoned for commercial or commercial/residential mixed use
22 development[[;]] and is used for a commercial purpose; and

23 (3) is improved after the effective date of this Bill and before January
24 1, 2020.

25 Tax-Property Article means the Tax-Property Article of the Maryland
26 Code.

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(b) Credit.

- (1) Credit authorized. The Director of Finance must allow a credit, as authorized by State law, to a taxpayer against all County property tax and ~~[[special area tax]]~~ imposed on~~[[~~:
 - (a)]] improvements made by an eligible business entity to qualified property~~[[~~; and
 - (b) personal property owned by an eligible business entity located on qualified property~~]]~~.
- (2) Duration of credit. A credit under this Section is available to a qualified property for no more than 5 consecutive years beginning with the taxable year following the calendar year in which the real property initially becomes a qualified property.
- (3) Amount of credit. The amount of the credit is equal to 80% of the amount of property tax imposed on the eligible assessment of the qualified property in each of the first 5 taxable years following the calendar year in which the property initially becomes a qualified property.
- (4) Nonresidential portions of qualified property. The Department must allocate the eligible assessment to the nonresidential part of the qualified property at the same percentage as the square footages of the nonresidential part is to the total square footage of the building.
- (5) For purposes of calculating the amount of the credit allowed under this Section, the amount of property tax imposed on the eligible assessment must be calculated without reduction for any credits allowed under the Tax-Property Article.

53 (c) Regulations. The County Executive may adopt regulations under
54 Method (2) to administer this Section.

55 (d) False or fraudulent applications.

56 (1) A person must not knowingly file a false or fraudulent
57 application to obtain a tax credit under this Section. A violation
58 of this subsection is a Class A violation.

59 (2) In addition to the penalties provided under paragraph (1), a
60 person who violates this subsection must pay the County any
61 taxes, together with interest and penalties, offset by the credit,
62 any other penalty due, and the County's fees and costs in any
63 action to enforce this subsection.

64 *Approved:*

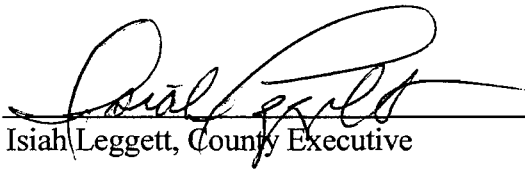


Craig L. Rice, President, County Council

12/10/13

Date

66 *Approved:*



Isiah Leggett, County Executive

12/17/13

Date

68 *This is a correct copy of Council action.*



Linda M. Lauer, Clerk of the Council

12/19/13

Date