SENATE BILL 321

Q1, Q2 (4lr1735)

ENROLLED BILL

— Budget and Taxation/Ways and Means —

Introduced by **Senator Jackson**

Read and Examined by Proofreaders:

_______________________________ Proofreader.

_______________________________ Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_______ day of _______________ at ________________________ o'clock, ________M.

_______________________________ President.

CHAPTER ______

AN ACT concerning

Property Tax – Credit for Hotel or Residential Development Projects

FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to grant, by law, a tax credit against the county or municipal corporation property tax imposed on real property that is used for certain hotel or residential development projects; altering eligibility for a certain property tax credit in Wicomico County against the county or municipal corporation property tax imposed on real property that is used for certain hotel or residential development projects; and generally relating to property tax credits for hotel or residential development.

BY adding to
Article – Tax – Property
Section 9–268
Annotated Code of Maryland

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.
Italics indicate opposite chamber/conference committee amendments.

(2019 Replacement Volume and 2023 Supplement)

BY repealing
Article – Tax – Property
Section 9–324(d)
Annotated Code of Maryland
(2019 Replacement Volume and 2023 Supplement)

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

Article – Tax – Property

9–268.

(A) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON REAL PROPERTY THAT IS USED FOR A HOTEL OR RESIDENTIAL DEVELOPMENT PROJECT THAT~~:~~

~~(1)~~ IS NEWLY CONSTRUCTED OR INVOLVES SUBSTANTIAL REHABILITATION OR REVITALIZATION OF EXISTING STRUCTURES~~;~~*.*

(B)* ~~(2)~~ *TO QUALIFY FOR THE CREDIT UNDER THIS SECTION, A HOTEL SHALL* SUBSTANTIALLY ~~INCREASES~~ *INCREASE* THE ASSESSED VALUE OF THE PROPERTY~~; AND~~*.

~~(3) IF MORE THAN~~

(C) TO QUALIFY FOR THE CREDIT UNDER THIS SECTION, A RESIDENTIAL DEVELOPMENT PROJECT SHALL:

(1) INCLUDE AT LEAST* 20 RESIDENTIAL UNITS ~~ARE PART OF THE DEVELOPMENT, INCLUDES~~*; AND

***(2) HAVE* AT LEAST 15% OF ALL RESIDENTIAL UNITS WITHIN THE DEVELOPMENT THAT ARE AFFORDABLE TO HOUSEHOLDS EARNING LESS THAN 80% OF THE AREA MEDIAN INCOME.**

~~(B)~~ *(D)* THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION MAY PROVIDE, BY LAW, FOR:

(1) THE AMOUNT AND DURATION OF THE TAX CREDIT UNDER THIS SECTION;

(2) ELIGIBILITY REQUIREMENTS FOR THE TAX CREDIT;

(3) APPLICATION PROCEDURES FOR THE TAX CREDIT; AND

(4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS SECTION.

9–324.

[(d) (1) The governing body of Wicomico County or the governing body of a municipal corporation in Wicomico County may grant, by law, a property tax credit against the county or municipal corporation property tax imposed on real property that is used for a hotel or residential development project that:

(i) is newly constructed or involves substantial rehabilitation or revitalization of existing structures; and

(ii) substantially increases the assessed value of the property.

(2) The governing body of Wicomico County or of a municipal corporation in Wicomico County may provide, by law, for:

(i) the amount and duration of the tax credit under this subsection;

(ii) eligibility requirements for the tax credit;

(iii) application procedures for the tax credit; and

(iv) any other provision necessary to carry out this subsection.**]**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively to property tax credits issued for hotel or residential development projects that begin on or after the effective date of this Act and may not be applied or interpreted to have any effect on or application to any county or municipal corporation property tax credits issued in accordance with § 9–324(d) of the Tax – Property Article, as enacted by Chapters 715 and 716 of the Acts of 2021, for hotel or residential development projects in Wicomico County that began on or after July 1, 2021, but before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2024, and shall be applicable to all taxable years beginning after June 30, 2024.