

SENATE BILL 14

C8, Q1, Q7

(PRE-FILED)

4lr1266
CF HB 1281

By: **Senator Jackson**

Requested: October 30, 2023

Introduced and read first time: January 10, 2024

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 27, 2024

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Tourism Zones – Designation and Benefits**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the
4 governing body of a county or municipality to designate, by law, an area within that
5 political subdivision as a tourism zone under certain circumstances; providing that
6 the designation of an area as a tourism zone may not preclude the area from also
7 being designated as a certain arts and entertainment district; authorizing ~~Baltimore~~
8 ~~City~~ a county or a municipality to exempt from the admissions and amusement tax
9 gross receipts from certain admissions or amusement charges levied in a tourism
10 zone; authorizing the Mayor and City Council of Baltimore City or the governing
11 body of a county or municipality to grant, by law, a property tax credit against the
12 county or municipal property tax imposed on certain real property and certain
13 personal property located within a tourism zone; and generally relating to the
14 designation of tourism zones within ~~Baltimore City~~ counties and municipalities.

15 BY adding to

16 Article – Local Government

17 Section 18–401 through 18–403 to be under the new subtitle “Subtitle 4. Tourism
18 Zones”

19 Annotated Code of Maryland

20 (2013 Volume and 2023 Supplement)

21 BY adding to

22 Article – Tax – General

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.



Section 4–104(g)
Annotated Code of Maryland
(2022 Replacement Volume and 2023 Supplement)

BY adding to
Article – Tax – Property
Section 9–268 and 9–269
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 – Local Government

SUBTITLE 4. TOURISM ZONES.

18–401.

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

(B) “QUALIFYING TOURISM ENTERPRISE” MEANS A FOR–PROFIT OR
NONPROFIT ENTITY THAT CONDUCTS BUSINESS WITHIN A TOURISM ZONE, SUBJECT
TO THE LIMITATIONS SPECIFIED BY THE POLITICAL SUBDIVISION WITHIN WHICH
THE TOURISM ZONE IS LOCATED.

(C) “TOURISM ZONE” MEANS A DEVELOPED ZONE OF PUBLIC AND PRIVATE
USES THAT IS DESIGNATED BY A POLITICAL SUBDIVISION FOR THE DEVELOPMENT
OF TRAVEL AND TOURISM AND LOCATED WITHIN THAT POLITICAL SUBDIVISION.

18–402.

(A) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE
GOVERNING BODY OF A COUNTY OR MUNICIPALITY MAY DESIGNATE, BY LAW, AN
AREA WITHIN THE POLITICAL SUBDIVISION AS A TOURISM ZONE.

(B) IN DESIGNATING A TOURISM ZONE UNDER SUBSECTION (A) OF THIS
SECTION, THE POLITICAL SUBDIVISION MAY PROVIDE, BY LAW, FOR:

(1) THE DURATION OF THE DESIGNATION; AND

(2) ELIGIBILITY CRITERIA TO QUALIFY AS A QUALIFYING TOURISM
ENTERPRISE.

(C) THE DESIGNATION OF AN AREA AS A TOURISM ZONE DOES NOT PRECLUDE THE AREA FROM ALSO BEING DESIGNATED AS AN ARTS AND ENTERTAINMENT DISTRICT UNDER TITLE 4, SUBTITLE 7 OF THE ECONOMIC DEVELOPMENT ARTICLE.

18-403.

(A) IN A TOURISM ZONE:

(1) THE EXEMPTION FROM THE ADMISSIONS AND AMUSEMENT TAX UNDER § 4-104(G) OF THE TAX – GENERAL ARTICLE APPLIES TO QUALIFYING TOURISM ENTERPRISES; AND

(2) THE PROPERTY TAX CREDITS UNDER §§ 9-268 AND 9-269 OF THE TAX – PROPERTY ARTICLE APPLY.

(B) ON OR BEFORE JULY 1 PRECEDING THE EFFECTIVE DATE OF ITS ESTABLISHMENT, THE POLITICAL JURISDICTION SHALL NOTIFY THE COMPTROLLER THAT A TOURISM DISTRICT IS ESTABLISHED.

(C) A POLITICAL SUBDIVISION THAT ESTABLISHES A TOURISM ZONE SHALL NOTIFY THE COMPTROLLER OF:

(1) ANY QUALIFYING TOURISM ENTERPRISES TO WHICH THE EXEMPTION FROM THE ADMISSIONS AND AMUSEMENT TAX UNDER § 4-104(G) OF THE TAX – GENERAL ARTICLE APPLIES; ~~AND~~

(2) THE DATE ON WHICH THE QUALIFYING TOURISM ENTERPRISE QUALIFIED FOR THE EXEMPTION; AND

(3) THE DATE, IF ANY, ON WHICH THE EXEMPTION FOR THE QUALIFYING TOURISM ENTERPRISE EXPIRES.

Article – Tax – General

4-104.

(G) (1) IN THIS SUBSECTION, “QUALIFYING TOURISM ENTERPRISE” AND “TOURISM ZONE” HAVE THE MEANINGS STATED IN § 18-401 OF THE LOCAL GOVERNMENT ARTICLE.

(2) ~~BALTIMORE CITY~~

(I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A COUNTY OR A MUNICIPAL CORPORATION MAY EXEMPT FROM THE ADMISSIONS AND AMUSEMENT TAX GROSS RECEIPTS FROM ANY ADMISSIONS OR AMUSEMENT CHARGE LEVIED BY A QUALIFYING TOURISM ENTERPRISE IN A TOURISM ZONE.

(II) THE EXEMPTION AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT APPLY TO THE STATE ADMISSIONS AND AMUSEMENT TAX IMPOSED UNDER § 4-102(D) AND (E) OF THIS TITLE.

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

Article – Tax – Property

9-268.

(A) IN THIS SECTION, “QUALIFYING TOURISM ENTERPRISE” AND “TOURISM ZONE” HAVE THE MEANINGS STATED IN § 18-401 OF THE LOCAL GOVERNMENT ARTICLE.

(B) 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 A BUILDING THAT:

(1) IS LOCATED IN A TOURISM ZONE; AND

(2) IS OWNED BY A QUALIFYING TOURISM ENTERPRISE.

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

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

(2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT UNDER THIS SECTION;

(3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND

(4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX CREDIT UNDER THIS SECTION.

1 **9-269.**

2 (A) IN THIS SECTION, “QUALIFYING TOURISM ENTERPRISE” AND “TOURISM
3 ZONE” HAVE THE MEANINGS STATED IN § 18-401 OF THE LOCAL GOVERNMENT
4 ARTICLE.

5 (B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE
6 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW,
7 A PROPERTY TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION
8 PROPERTY TAX IMPOSED ON PERSONAL PROPERTY OF A QUALIFYING TOURISM
9 ENTERPRISE THAT IS LOCATED WITHIN A TOURISM ZONE.

10 (C) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE
11 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE, BY
12 LAW, FOR:

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

15 (2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT UNDER
16 THIS SECTION;

17 (3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND
18 UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND

19 (4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX
20 CREDIT UNDER THIS SECTION.

21 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
22 applicable to all taxable years beginning after June 30, 2024.

23 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June
24 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.