

Chapter 240

(Senate Bill 14)

AN ACT concerning

Economic Development – Tourism Zones – Designation and Benefits

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

BY adding to

Article – Local Government

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

Annotated Code of Maryland

(2013 Volume and 2023 Supplement)

BY adding to

Article – Tax – General

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.

9-269.

(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 PERSONAL PROPERTY OF A QUALIFYING TOURISM ENTERPRISE THAT IS LOCATED WITHIN A TOURISM ZONE.

(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.

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

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

Approved by the Governor, April 25, 2024.