

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council of Howard County, Maryland

2020 Legislative Session

Legislative Day No. 10

Bill No. 38 -2020

Introduced by: The Chairperson at the request of the County Executive

AN ACT establishing a personal property tax exemption on the personal property of a Qualified Data Center; defining certain terms; providing for certain amounts of property tax exemptions under certain conditions; requiring a certain report; providing for an application procedure; and generally relating to personal property tax exemptions.

Introduced and read first time _____, 2020. Ordered posted and hearing scheduled.

By order _____
Diane Schwartz Jones, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2020.

By order _____
Diane Schwartz Jones, Administrator

This Bill was read the third time on _____, 2020 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Diane Schwartz Jones, Administrator

Sealed with the County Seal and presented to the County Executive for approval this ___ day of _____, 2020 at ___ a.m./p.m.

By order _____
Diane Schwartz Jones, Administrator

Approved by the County Executive _____, 2020

Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; ~~Strike-out~~ indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Section 1. Be It Enacted** by the County Council of Howard County, Maryland, that the
2 Howard County Code is amended as follows:

3 By adding:

4 Title 20. Taxes, charges and fees.

5 Subtitle 2. Personal Property Tax.

6 Section 20.208. Personal Property Tax; Exemption for Qualified Data Center
7 personal property.

8

9 **Title 20. Taxes, charges and fees.**

10 **Subtitle 2. Personal Property Tax.**

11

12 **SECTION 20.208. PERSONAL PROPERTY TAX; EXEMPTION FOR QUALIFIED DATA**
13 **CENTER PERSONAL PROPERTY.**

14 (A) *AUTHORITY*: THIS ACT IS AUTHORIZED UNDER SECTION 7-246 OF THE TAX-PROPERTY
15 ARTICLE OF THE ANNOTATED CODE OF MARYLAND, WHICH AUTHORIZES A COUNTY TO
16 REDUCE OR ELIMINATE, BY LAW, THE PERCENTAGE OF THE ASSESSMENT OF ANY QUALIFIED
17 DATA CENTER PERSONAL PROPERTY USED IN A QUALIFIED DATA CENTER THAT IS SUBJECT
18 TO THE COUNTY PROPERTY TAX THAT QUALIFIES UNDER THIS SECTION.

19 (B) *DEFINITIONS*. IN THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE MEANINGS
20 INDICATED:

21 (1) “*QUALIFIED DATA CENTER*” SHALL HAVE THE MEANING STATED IN SECTION 11–236
22 OF THE TAX – GENERAL ARTICLE OF THE ANNOTATED CODE OF MARYLAND.

23 (2) “*QUALIFIED DATA CENTER PERSONAL PROPERTY*” SHALL HAVE THE MEANING
24 STATED IN SECTION 11–236 OF THE TAX – GENERAL ARTICLE OF THE ANNOTATED
25 CODE OF MARYLAND.

26 (C) *EXEMPTION FROM PROPERTY TAX*. ELIGIBLE QUALIFIED DATA CENTER PERSONAL
27 PROPERTY IS SUBJECT TO A PARTIAL OR COMPLETE EXEMPTION FROM THE COUNTY’S
28 PERSONAL PROPERTY TAX.

29 (D) *ELIGIBILITY AND AMOUNT OF PROPERTY TAX EXEMPTION*.

30 (1) PROJECTS WITH \$250 MILLION OR MORE OF INVESTMENT AND THAT CREATE A
31 TOTAL OF 10 JOBS OR MORE MAY QUALIFY:

- 1 (I) FOR A 10 YEAR PERSONAL PROPERTY TAX ABATEMENT AS FOLLOWS:
- 2 A. YEARS ONE THROUGH FIVE - UP TO 100% ABATEMENT IN PERSONAL
- 3 PROPERTY TAX; AND
- 4 B. YEARS SIX THROUGH TEN - UP TO 90% ABATEMENT IN PERSONAL PROPERTY
- 5 TAX; AND
- 6 (II) FOR AN OPTION OF TWO FIVE-YEAR EXTENSIONS UP TO 80% ABATEMENT BASED
- 7 ON PERFORMANCE METRICS, INCLUDING MAINTENANCE OF OR INCREASE OF
- 8 LEVEL OF INVESTMENT, EMPLOYMENT AND OVERALL POSITIVE ECONOMIC
- 9 IMPACT TO HOWARD COUNTY.
- 10 (2) PROJECTS WITH \$50 MILLION OR MORE OF INVESTMENT MADE AND THAT CREATE A
- 11 TOTAL OF FIVE JOBS OR MORE MAY QUALIFY:
- 12 (I) FOR A 10 YEAR TAX PERSONAL PROPERTY ABATEMENT, WITH
- 13 A. YEARS ONE THROUGH FIVE - UP TO 90% ABATEMENT IN PERSONAL
- 14 PROPERTY TAX; AND
- 15 B. YEARS SIX THROUGH TEN- UP TO 80% ABATEMENT IN PERSONAL PROPERTY
- 16 TAX; AND
- 17 (II) FOR AN OPTION OF ONE FIVE-YEAR EXTENSION UP TO 80% ABATEMENT BASED
- 18 ON PERFORMANCE METRICS, INCLUDING MAINTENANCE OF OR INCREASE OF
- 19 LEVEL OF INVESTMENT, EMPLOYMENT AND OVERALL POSITIVE ECONOMIC
- 20 IMPACT TO HOWARD COUNTY.
- 21 (E) *ANNUAL REPORT*: SUBJECT TO SECTION 22.1000 OF THE COUNTY CODE, THE ECONOMIC
- 22 DEVELOPMENT AUTHORITY SHALL REPORT ANNUALLY TO THE COUNTY EXECUTIVE AND
- 23 THE COUNTY COUNCIL CONCERNING THE IMPLEMENTATION OF THE PROPERTY TAX
- 24 EXEMPTION UNDER THIS SECTION WHICH SHALL:
- 25 (1) BE SUBMITTED NO LATER THAN SEPTEMBER FIRST OF EACH YEAR; AND
- 26 (2) INCLUDE, FOR EACH RECIPIENT OF AN EXEMPTION UNDER THIS SECTION DURING THE
- 27 PREVIOUS FISCAL YEAR:
- 28 (I) THE NAME OF THE RECIPIENT;
- 29 (II) THE NUMBER OF JOBS CREATED AND CURRENTLY OCCUPIED AS A RESULT OF THE
- 30 ACTIVITY THAT QUALIFIED THE RECIPIENT FOR THE EXEMPTION AND THE
- 31 SALARY FOR EACH SUCH JOB; AND

1 (III) THE AMOUNT OF THE EXEMPTION GRANTED.

2 (F) *PROCEDURES.*

3 (1) THE ECONOMIC DEVELOPMENT AUTHORITY AND THE DEPARTMENT OF FINANCE
4 SHALL DEVELOP AN APPLICATION FORM AND ESTABLISH PROCEDURES TO
5 ADMINISTER THE PROPERTY TAX EXEMPTION UNDER THIS SECTION.

6 (2) A QUALIFIED DATA CENTER MAY APPLY FOR THE PROPERTY TAX EXEMPTION TO
7 THE ECONOMIC DEVELOPMENT AUTHORITY. FOR TAX YEARS BEGINNING JANUARY
8 1, 2021 AND THEREAFTER, APPLICATIONS FOR THE CREDIT SHALL BE SUBMITTED NO
9 LATER THAN APRIL 1 FOR THE FIRST TAX YEAR FOR WHICH THE EXEMPTION IS BEING
10 REQUESTED.

11 (3) THE ECONOMIC DEVELOPMENT AUTHORITY AND THE COUNTY EXECUTIVE SHALL
12 EVALUATE THE APPLICATION UNDER CRITERIA ESTABLISHED BY THE AUTHORITY,
13 AND MAY DENY OR APPROVE THE APPLICATION, SUBJECT TO ANY TERMS AND
14 CONDITIONS AS REQUIRED UNDER THE CRITERIA.

15 (4) IF AN APPLICATION IS APPROVED IT SHALL BE FORWARDED TO THE DIRECTOR OF
16 FINANCE AND THE DIRECTOR OF FINANCE SHALL PROCESS THE APPLICATION FOR
17 PROPERTY TAX ABATEMENT.

18

19 *Section 2. And Be It Further Enacted by the County Council of Howard County,*
20 *Maryland, that a copy of this Act shall be sent to the Maryland Department of*
21 *Assessments and Taxation.*

22

23 *Section 3. And Be It Further Enacted by the County Council of Howard County,*
24 *Maryland, that this Act shall become effective 61 days after its enactment.*