

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 134-2024

Introduced: September 3, 2024

Auditor: Lisa Geerman

Fiscal Impact:

The fiscal impact of this legislation cannot be determined at this time because the County does not currently have any Enterprise Zones and cannot determine the amount of potential credits which may be claimed by eligible businesses if an Enterprise Zone is created.

Eligible businesses in Enterprise Zones may claim a 10-year credit against local real property taxes on a portion of real property improvements. The State reimburses local jurisdictions 50 percent of the revenue lost as a result of offering businesses located in Enterprise Zones the property tax credit, subject to approval in the State's annual budget. Eligible businesses may also claim credits for wages paid to new employees in new positions.

Purpose:

Council Resolution 134-2024 authorizes the County to apply to the Maryland Department of Commerce for an Enterprise Zone designation for certain parcels in eastern Howard County. Maryland's Enterprise Zone Program is a joint effort between the State and local governments to provide tax incentives to businesses located in economically distressed communities.

The proposed Eastern Howard County Enterprise Zone will support economic development in the Columbia Gateway District and along the Route 1 Corridor. According to the Department of Planning and Zoning (DPZ), this Enterprise Zone application includes 2,054.5 acres of commercial, manufacturing, and industrial properties.

Other Comments:

For comparison, according to the DPZ, the jurisdictions with the highest tax credit value in Fiscal Year 2022 included Baltimore City (\$29.9 million), Baltimore County (\$5.0 million), Cecil County (\$4.1 million), Harford County (\$3.7 million), and Prince George's County (\$3.2 million).

An amendment will be filed to substitute a revised Exhibit that uses parcel boundaries obtained from the Maryland Department of Planning.