

Prince George's County Council

Agenda Item Summary

Meeting Date: 11/18/2008
Reference No.: CB-052-2008
Draft No.: 2
Proposer(s): Knotts
Sponsor(s): Knotts, Turner
Item Title: An Act concerning the Business Incubator Real Property Tax Credit for the purpose of establishing a tax credit for real property used for publicly supported business incubator programs.

Drafter: Todd M. Turner, Legislative Officer
Resource Personnel: Betty Horton-Hodge, Legislative Aide

LEGISLATIVE HISTORY:

Date Presented:	7/15/2008	Executive Action:	11/24/2008 S
Committee Referral:	7/15/2008 - PSFM	Effective Date:	1/12/2009

Committee Action: 9/23/2008 - FAV(A)

Date Introduced: 10/21/2008
Public Hearing: 11/18/2008 - 10:00 AM

Council Action (1) 11/18/2008 - ENACTED
Council Votes: MB:A, WC:-, SHD:A, TD:A, CE:A, AH:A, TK:A, EO:A, IT:A
Pass/Fail: P
Remarks:

AFFECTED CODE SECTIONS:

10-235.07

COMMITTEE REPORTS:

PUBLIC SAFETY AND FISCAL MANAGEMENT

Date 9/23/2008

Committee Vote: Favorable as amended; 4-0. (In favor: Council Members Knotts, Dean, Exum and Turner.)

This legislation will establish a real property tax credit for properties used for publicly supported business incubator programs.

According to a recent study by the Maryland Technology Development Corporation (TEDCO), there are currently two business incubator programs recognized in the County that may be eligible for the business incubator tax credit. They are the County's Technology Assistance Center operated by the Economic Development Corporation located on Mercantile Lane in Largo and the Technology Advancement Program, operated by the University of Maryland at College Park.

Councilmember Exum requested that the legislation be amended to include an annual cap on the tax credits.

The following amendment was added:

1. On page 2, line 8, after (g), insert “ During the fiscal year, the total of all tax credits granted under this section shall not exceed \$250,000. Tax credits shall be granted in the order in which the Office of Finance receives the complete application under subsection (f) of the section. If a complete application granted would cause the limit set in this subsection to be exceeded, the tax credit shall be granted in the next fiscal year or years and in the order received.”

2. On page 2, line 16, after taxes add “and”, and on line 26, delete “are” and insert “is”.

The fiscal impact on the County would be negative in the approximate amount of \$37,300 over the five-year tax credit period. The tax credit ranges from approximately \$12,430 in year one to \$2,490 in year five. The negative fiscal impact of \$37,300 would be offset, in whole or in part, by additional County tax revenues derived from stabilization and growth of successful County-based small businesses that will be established as a result of the Economic Training Institute's Business Incubator Program.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

Chapter 573 of the Laws of Maryland (2007) authorized the governing body of a County to establish a real property tax credit for properties that house publicly supported business incubator programs under certain conditions.

CODE INDEX TOPICS:

INCLUSION FILES:
