

MEMORANDUM

June 8, 2022

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Gene Smith, Legislative Analyst

SUBJECT: Executive Regulation 2-22, Montgomery College Germantown Campus Regional Institution Strategic Enterprise Zone

PURPOSE: Review, make recommendation

Those expected for this worksession:

Jake Weissmann, Assistant Chief Administrative Officer, Office of the County Executive
Pete McGinnity, Economic Development Programs Manager, Department of Finance
Margaret Latimer, Vice President and Provost, Germantown Campus, Montgomery College

The PHED committee will review Executive Regulation 2-22, Montgomery College Germantown Campus Regional Institution Strategic Enterprise (RISE) Zone (“ER 2-22”) (see ©1-12). **ER 2-22 governs the administration of the RISE Zone in Germantown.** The Council supported Montgomery College’s State application on July 10, 2018, and the State designated the zone on September 28, 2018 (see ©13-14). The Executive submitted ER 2-22 to the Council on March 28, 2022 as a Method 2 regulation, and the Council extended time for consideration due to the FY23 budget deliberations.

Council staff recommends approval of ER 2-22 with the expectation that Executive staff will make some minor technical edits to correct a few dates prior to final publication. The minor edits are noted on page 4.

I. Background

A. Initial RISE Zone Benefits

The State created the RISE Zone designation in 2014 to spur economic development near qualified regional institutions. The State defines a qualified regional institution as a 1) regional

higher education center as defined under §10-101 of the Maryland Education Article; 2) institution of higher education as defined under §10-101 of the Maryland Education Article; or 3) nonprofit organization that is affiliated with a federal agency. **A qualified regional institution must demonstrate a nexus between its activities and the creation of jobs within the proposed RISE Zone to receive approval by the State.**

Designation of a RISE Zone is a two-step application process: 1) application to qualify as a regional institution; and 2) application to designate an area as a RISE Zone. The State reviews and approves/disapproves both steps in the application process. **Montgomery College was approved as a qualified regional institution in September 2017.**

A RISE Zone designation expires after five years from the State's approval. A qualified regional institution may apply for a five-year extension once, allowing a total of ten years for businesses to qualify for certain incentives. During the designation, a qualified businesses will receive the benefits listed below. A qualified business will receive benefits up to five years as long as qualification occurs during the RISE Zone designation.

- 1) A real property tax credit for the increase in assessable base of certain properties.
- 2) An income tax credit for certain jobs created.
- 3) Priority consideration for certain programs provided by the Maryland Department of Commerce.

RISE Zones are similar to enterprise zones in that both zones target job creation in targeted geographic areas and provide tax credit incentives to attract businesses to the area. There are, however, several important differences between the zones. **Enterprise zones target job growth in areas with high unemployment and lower-income households; RISE Zones connect job growth to activities at a qualified regional institution.** An enterprise zone designation is ten years, and the RISE Zones is 5 years. The enterprise zone real property tax credit rate is set by State law, and the State reimburses 50% of the County's tax credits. **The RISE Zone's real property tax credit rate is set by the Council, and the State does not reimburse the County.** State law requires that the real property tax credit for a RISE Zone have a minimum of 50% for the first year of designation and 10% for years two through five of the designation.

Montgomery College applied for the RISE Zone designation in July 2018. As required by State law, the governing body must adopt a resolution supporting the RISE Zone application and set the amount of real property tax credit allowed in the RISE zone. The Council supported Montgomery College's application through [Council Resolution No. 18-1176](#) on July 10, 2018, setting the real property tax credit at 75% for all five years of the designation. The Executive was required to submit a Method 2 regulation to govern the administration of the RISE Zone per the Council resolution. The Council received ER 2-22 on March 28, 2022.

B. Amended RISE Zone Benefits

The State amended the RISE Zone law in 2021.¹ A primary purpose of these amendments was to shift the benefits of the RISE Zone from certain tax credit programs to a business rental assistance program. **The previous tax credit benefits for certain real property tax credits and for income tax credits are now set to expire on January 1, 2023, regardless of a RISE zone's designation period.** Businesses that qualified for these benefits prior to January 1, 2023 will receive them for the five years allowed by the State law. After January 1, 2023, the only benefit a business may qualify for is a business rental assistance program that is created by the regional institution in partnership with the county/municipality. **The Germantown RISE Zone will expire on September 28, 2023, unless Montgomery College applies for another five year extension.**

II. ER 2-22

Method 2 regulations must be approved or disapproved by the Council within 60 days of receipt, or the regulation will go into effect. The Council may extend the time for consideration of a Method 2 regulation. The Council received ER 2-22 on March 28, 2022 and extended time for consideration on May 10, 2022 by [Council Resolution No. 19-1253](#).

A. ER 2-22 Review

Below are the major elements of ER 2-22 that the PHED Committee will review as it considers its recommendation for the Council.

Administrator. ER 2-22 states that the Director of the Department of Finance (Finance), or their designee, will administer the local RISE Zone. The County's enterprise zones are also administered by Finance. **Per Executive staff, Finance does not anticipate that any additional staffing is needed to administer the program.** These duties will be assumed by existing Finance staff.

RISE Zone boundary. The RISE Zone boundaries are detailed on ©12 as the purple shaded area. Section G of the Definitions Section includes erroneous dates for the application and designation of this zone. The correct dates are: 1) application dated July 23, 2018; and 2) designated by the State on September 28, 2018.

Applications. Businesses must apply to receive the benefits of the RISE Zone. As noted earlier, there are two types of tax credits available through the zone – real property tax credits and income tax credits. Executive staff provided a sample of each application on ©15-18. Per ER 2-22, businesses may submit the application prior to the investment and receive pre-certification to ensure the investment qualifies for the tax credit.

Eligible credits. Only certain business decisions or investments are eligible for either credit.

¹ See Maryland [Senate Bill 778](#) from the 2021 General Assembly Session.

For income tax credits, a qualified business may only receive income tax credits for employees that meet the State requirements on ©9. Specifically, the employee must: 1) have been hired after September 28, 2018; 2) work at least 35 hours each week for six months during the taxable year; 3) spend at least 50% of all work hours in the RISE Zone or in an activity related to the RISE Zone; 4) fill a new position created by the business; and 5) earn at least 150% of the federal minimum wage. Businesses may receive additional tax credits if the employee is certified as an economically disadvantaged individual per the State Department of Labor.

For real property tax credits, the business is only eligible for the increase in assessment following the improvement of the property as defined on ©10-11. The tax credits will only apply to the increase in assessed value of the property. In addition, ER 2-22 includes the following local standards: 1) businesses must meet a minimum qualifying investment that excludes funding sources other than government grants; 2) the minimum qualifying investment is \$100 per square foot and at least 20% of the total building floor area must be improved; 3) the minimum qualifying investment may include certain offsite improvements; and 4) construction of new parking facilities are not eligible for the tax credit, except when the facility is integral to the eligible improvement.

Eligibility determination. The Administrator is responsible for determining the eligibility of applicants based on the requirements in ER 2-22.

Retroactive application. ER 2-22 allows the regulation to apply retroactively to July 10, 2018. The State's designation of the Germantown RISE Zone began on September 28, 2018. Executive staff shared that no businesses or developments were or are eligible to receive the credit from September 28, 2018 prior to the Council's consideration of ER 2-22.

B. ER 2-22 in practice

There are currently no improvements or jobs located within the approved Germantown RISE Zone. Executive staff notes that a development project received a preliminary site plan approval for 150,000 square feet of research and development space recently. The project is anticipated to proceed upon pre-certification of the real property tax credits available through the RISE Zone. Based on discussions with the State, Executive staff noted that development should qualify for the real property tax credits upon completion of the project if it is pre-certified before January 1, 2023. Based on the pipeline, this is the only project that is likely to qualify prior to the zone's expiration in September 2023 and prior to the State's elimination of the real property and income tax credits.

III. Suggested amendments to ER 2-22

The PHED Committee may not amend the regulation prior to recommending approval. If there are any amendments requested and depending on the severity of the amendments, Executive staff may make the changes as requested when the approved regulation is published in

the Register, noting any changes from the previous version, or the Council may disapprove the regulation until it is published in the Register with amendments.

Council staff recommends approval of ER 2-22 with the noted amendments below.

These amendments are anticipated to be incorporated as by Executive staff prior to publishing in the register as approved since the amendments reflect minor corrections of a few dates.

- 1) Amend the dates in Section G of the Definitions Section to reflect the correct dates of the application and State approval for the RISE Zone; and
- 2) Amend the date in the Retroactive Application Section to September 28, 2018, the effective date of the RISE zone designation from the State.

The draft Council resolution is on ©19-20. The final resolution will reflect any actions taken by the PHED Committee today.

This packet contains:

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

March 28, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Marc Elrich, County Executive *Marc Elrich*

SUBJECT: Executive Regulation 2-22, Montgomery College Germantown Campus
Regional Institution Strategic Enterprise Zone

The purpose of this memorandum is to submit Executive Regulation 2-22 to the County Council for review and approval. This Regulation establishes the procedures to administer the Montgomery College Germantown Campus Regional Institution Strategic Enterprise Zone (MC GC RISE Zone) pursuant to the adoption of Council Resolution 18-1176. It establishes prequalification standards and eligibility requirements for the MC GC RISE Zone.

These policies and procedures establish the qualifying criteria for determination and certification of eligibility of businesses and/or commercial property located in the boundaries of the MCGC RISE Zone for property or employment tax credits made available under the Maryland RISE Zone Program and set forth the process for certification by the County. The lapse between the adoption of Council Resolution 18-1176 and the completion of this Executive Regulation occurred due to the loss of staff responsible for RISE Zone implementation both in the County government and Montgomery College.

Executive Regulation 2-22 was processed under Method 2 of Section 2A-15 of the Montgomery County Code. It was advertised in the January issue of the Montgomery County Register with a comment deadline of January 31, 2022. No comments were received.

If you have any questions concerning this Regulation or require additional information, please contact Peter McGinnity, Department of Finance at 240-777-2011.

ME/pmg



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Montgomery College Germantown Campus Regional Institution Strategic Enterprise Zone	Number 2-22
Originating Department Department of Finance	Effective Date

Montgomery County Regulation on:

MONTGOMERY COLLEGE GERMANTOWN CAMPUS REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE

Issued by: Department of Finance
Issued by: County Executive
Regulation No. 2-22

COMCOR No. 52.102.01

Authority: Economic Development Article, § 5-1404(e)
County Council Resolution No. 18-1176;
Montgomery County Code Section 2A-14
Council Review: Method (2) under Code Section 2A-15
Register Vol. 39, Issue 1

Comment Deadline: January 31, 2022
Effective Date:
Sunset Date: None

SUMMARY: This regulation establishes policies and procedures for the administration of the Montgomery College Germantown Campus Regional Institution Strategic Enterprise Zone (“MCGC RISE Zone”).

ADDRESS: Written comments on this regulation should be sent to:
Peter McGinnity, Manager
Economic Development Programs
Department of Finance
101 Monroe Street, 15th Floor
Rockville, MD 20850

STAFF CONTACT: For further information or to obtain a copy of this regulation, please contact David Crow at (240) 777-2011



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BACKGROUND:

Maryland Annotated Code, Economic Development Article, Sections 5-1401 et seq., authorizes the establishment of Regional Institution Strategic Enterprise Zones under certain circumstances. On September 28, 2018 the Secretary of Commerce of the State of Maryland approved Montgomery College’s application to designate certain portions of the 2009 Germantown Employment Area Sector Plan as the MCGC RISE Zone. By Council Resolution No. 18-1176, adopted July 10, 2018, the County Council consented to Montgomery College’s application to create the MCGC RISE Zone for certain targeted industries and further required the County Executive to establish by Executive Regulation certain prequalification standards and eligibility requirements for applicant property within the MCGC RISE Zone. These policies and procedures establish the qualifying criteria for the determination and certification of eligibility of businesses and/or commercial property located in the boundaries of the MCGC RISE Zone for property or employment tax credits made available under the Maryland RISE Zone Program and sets forth the process for certification by the County. Determination of eligibility for tax credits under this program shall be done in a fair and equitable manner, open to public scrutiny, in accordance with the policies and procedures herein.

**MONTGOMERY COUNTY CODE CHAPTER 52,
ARTICLE XV. MONTGOMERY COLLEGE GERMANTOWN CAMPUS
REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE – REGULATIONS**

COMCOR 52.102.01 Montgomery College Germantown Campus Regional Institution

52.102.01.01 General Provisions

- A. Purpose. The Montgomery College Germantown Campus (MCGC) RISE Zone is established for the following purposes:
1. assist the County in achieving the vision for Germantown as highlighted in the 2009 Germantown Employment Area Sector Plan. The Germantown Employment Area Sector Plan identified the following as key components of the Plan: connections to cultural, historic, and civic facilities such as Montgomery College, a vibrant economic core, and employment centers;



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- 2. encourage the development of commercial space for targeted industries: biohealth, information technology and cyber security, corporate and regional headquarters, and entrepreneurs and innovators;
- 3. facilitate employment opportunities for Montgomery College students in targeted industries;
- 4. encourage the creation of wet lab space, which is in high demand but difficult to create through conventional development; and
- 5. strengthen Germantown as the business center for the UpCounty Region.

B. Authority. In accordance with the authority conferred by the County Council in Resolution No. 18-1176, adopted July 10, 2018, and Section 2A-14 of the Montgomery County Code, the County Executive hereby promulgates this regulation to administer and implement the MCGC RISE Zone Program (the “Zone”) in Montgomery County, Maryland.

C. Applicability. These policies and procedures apply to all property owners and employers located within the boundaries of the Zone who meet the eligibility requirements and qualification standards established by this Executive Regulation during the period when the Zone is in effect.

52.102.01.02 Definitions

For purposes of this regulation, the following words and phrases have the following meanings unless the context clearly indicated otherwise:

- A. Administrator means the Administrator of the Local RISE Zone is the Director, Montgomery County Department of Finance, or the Director's designee.
- B. Certificate of Occupancy means the permit to occupy a building in Montgomery County issued by the Department of Permitting Services.
- C. Economically Disadvantaged Person or People means a person or people certified as such by the Maryland Job Service, Department of Labor, Licensing and Regulation.
- D. Employment Tax Credit means the credit on income tax that may be allowed for new Maryland employees hired in the Zone.



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- E. RISE Zone Program means the administration, policies and procedures established pursuant to Title 5, Subtitle 14, of the Economic Development Article of the Annotated Code of Maryland, Title 24, Subtitle 5, Chapter 21 of the Code of Maryland Regulations, the application filed July 19, 2018 by Montgomery College to the State of Maryland, and these Executive Regulations for determination and certification of eligible property owners and employers to receive applicable tax credits in accordance with the requirements for eligibility set forth herein for the MCGC RISE Zone.
- F. Property Tax Credit means the credit that may be allowed on the increased assessment subsequent to capital investment in property in the Zone.
- G. MCGC RISE Zone means that portion of Germantown, Maryland, shown in the attached Figure 1 of the Montgomery County Zone Application, dated October 15, 1998, and designated as such by the State of Maryland on December 15, 1998. The Zone boundary is also shown on the attached map.
- H. Germantown Employment Area Sector Plan, 2009 means the Comprehensive Amendment to the Approved and Adopted Germantown Master Plan, 1989, as adopted, approved by the Montgomery County Council on September 22, 2009 and adopted by the Maryland-National Capital Park and Planning Commission on October 15, 2009.
- I. North American Industry Classification System (N.A.I.C.S.) means the system generally used to classify commercial establishments by type of business in which they are engaged.

52.102.01.03 Process and Administration

- A. Responsibilities of the Administrator.
 - 1. Determining the eligibility of the businesses and/or property owners for the tax credits under the Enterprise Zone Program.
 - 2. Notifying the State Department of Assessments and Taxation, the Maryland Department of Commerce, and the Montgomery County Department of Finance that the applicant is eligible for real property tax credits in accordance with the Zone Program.



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3. Providing certification to the applicant of eligibility for income tax credits in accordance with the MCGC RISE Zone Program within 60 days of the receipt of application. It is the responsibility of the applicant to file this certification of eligibility when filing the appropriate income tax form with the State.
4. Submitting, as directed, an Annual Report to the Maryland Department of Commerce each calendar year following adoption of these Executive Regulations, so long as the MCGC RISE Zone Program is in effect and so directed. The Annual Report will be sent to the Montgomery County Council.
5. Acting as the principal point of contact between the public and the State of Maryland with respect to questions concerning the MCGC RISE Zone Program.
6. Developing applications for tax credits in the Zone.
7. Preparing a short fact sheet describing the MCGC RISE Zone and its benefits to business.

B. Application and Reporting Requirements.

1. Property owners and/or businesses applicants seeking certain tax credits available through the RISE Zone must complete an application for certification of eligibility to receive those tax credits. Recipients of RISE Zone tax credits must report annually on property tax credits and employment tax credits received, using forms provided by the Administrator. The application(s) must provide evidence that all State and local qualification standards for certification have been met. At a minimum, the application(s) must contain the following information:
 - a. name and address of the business/property owner, type of business entity (corporation, partnership, etc.), Federal Tax Identification Number and North American Industry Classification (N.A.I.C.S.) code;
 - b. for an employment tax credit, the previous address of the business, and the number of employees working at that previous address that have relocated into the RISE if moving into the zone from another location;
 - c. for an employment tax credit, the total employment and verification of increases in employment wages paid for new jobs created in the Zone. The



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applicant may be asked to provide payroll documentation and employee time sheets for the period for which the tax credit is being applied or any other information the Administrator may deem necessary to determine eligibility or compliance with these regulations; and

- d. for the property tax credit, a description of the improvement(s) and the date of completion of the improvement(s), a certification of the costs of the new construction or renovations and the party responsible for payment thereof, a copy of certificate of occupancy if the area being improved is presently occupied, and any other information the Administrator may deem necessary to determine eligibility or compliance with these regulations.
2. Property owners seeking property tax credit on the next applicable July 1 real property tax bill must apply by December 10 of the preceding year in order for the Administrator to certify the property's eligibility by December 31 of that year. A property owner may file an application for pre-certification of eligibility for property tax credit on a form provided by the Administrator prior to making the minimum qualifying capital investment in order to determine in advance whether such investment will be eligible. In this case, the Administrator will send a notice of pre-certification to the applicant. In no case will certification be granted until the minimum qualifying capital investment is completed.
3. Property owners receiving a property tax credit must report annually, on a form provided by the Administrator, of the dollar value of the tax credit, and provide notice of same to any tenant or other third party responsible for the direct payment of or reimbursement to the property owner for payment of such tax within 30 days of payment of property taxes for the tax year in which credit is applied.
4. A business seeking an employment tax credit must apply for certification at least 30 days before the income taxes for which a credit is being applied are due, on a form provided by the Administrator, in order for the Administrator to certify the business is eligible for the tax credit. A copy of the certificate(s) of occupancy for the premises must accompany this form. Businesses that receive an employment tax credit must provide notice of the tax credit received, the number of employees, and total wages paid for which the credit is being claimed, to the Administrator, on a form provided by the Administrator, by December 10 of the tax year for which the credit is received.



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5. Failure to submit information required in section 51.102.01.03 may result in a notification of incomplete application insufficient for determining eligibility. Failure to comply with the local and State RISE Zone regulations may result in decertification of eligibility for tax credit.

52.102.01.04 General Conditions.

- A. Property owners and businesses currently located within the boundaries of the Zone or new businesses that locate there must meet the qualification standards set forth in these Executive Regulations in order to be certified by the Administrator as eligible to receive tax credits under the RISE Zone Program. The following general conditions must be met:
1. the business activity conducted on the property must constitute a legal use of the property;
 2. the property must be current with respect to payment of real property taxes; and
 3. the business must be current with respect to payment of income and personal property taxes.
- B. Any business entity located in the Zone before September 28, 2018 may not benefit from the tax credits and other incentives of the Enterprise Zone Program except with respect to any capital investment or expansion of its labor force occurring after September 28, 2018. Any new construction assessed in the tax year immediately preceding the tax year for the first credit is excluded from the tax assessment.
- C. Location in the Zone or certification of eligibility for tax credit does not relieve property owners or businesses from building codes, zoning requirements and other regulations applicable to the property or business.
- D. A property tax credit will only be applied against the amount of increase in a property tax assessment that results from a minimum qualifying capital investment.



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52.102.01.05 Eligibility Requirements and Qualification Standards.

- A. State Standards for Employment Tax Credit Qualification.
1. The new employee(s) for businesses seeking employment tax credits must:
 - a. have been hired after the business was located in the Zone and after September 28, 2018. If a business relocates from another location in Maryland into the Zone, its base employment remains the same as it was at the previous site;
 - b. have worked in the business for at least 35 hours each week for six months before or during the taxable year for which the credit is taken;
 - c. spend at least 50% of all work hours in the Zone or in an activity related to the Zone;
 - d. have been hired to fill new positions. That is, the firm's number of full-time employees must increase by the number of credits taken; and
 - e. earn at least 150% of the federal minimum wage.
 2. In order to claim a tax credit for hiring economically disadvantaged individuals to fill newly created positions, the business must obtain a certification of eligibility for each economically disadvantaged individual provided by the Maryland Job Service, Department of Labor, certifying that the individual was both unemployed for 30 consecutive days and qualified to participate in training activities for the economically disadvantaged under Title II, Part B of the federal Workforce Investment Act or its successor or, in the absence of a federal applicable act, met the criteria for an economically disadvantaged individual set by the Secretary of Labor.
 3. The economically disadvantaged employee must remain at the business for three years. However, if the disadvantaged employee leaves the business and is replaced by another employee who is also qualified as disadvantaged, the business may take the remainder of the credit as if the original employee had remained.



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B. Additional Local Standards for Employment Tax Credit Qualification.

1. When claiming tax credit(s) for hiring employees or relocating into the Zone from outside the State, the business must show a net increase of at least 35 work hours per week for each tax credit sought. The business may be required to document this employment on time sheets and payroll documents.
2. The business must show an increase in employees of five percent (5%) to a minimum of one (1) new employee.

C. State Standards for Property Tax Credit Qualification.

1. Credits will apply to increased property tax based on an increase in the assessed value of the property. Benefits will be triggered by increased assessment subsequent to a minimum qualifying capital investment in property in the Zone.
2. The tax credit is granted on whole taxable years only. A property owner must pay any partial-year levy tax bills if the property improvement is assessed as complete before July 1 of the first year of eligibility. The property owner will then receive the tax credit for five (5) full years. Tax credits will be calculated in accordance with Md. Code Ann., Tax Prop., Section 9-103.

D. Additional Local Standards for Property Tax Credit Qualification.

1. Property owners must make a minimum qualifying capital investment in the property through sources other than government grants. A minimum qualifying capital investment may include improvements made with funds obtained through government loan programs.
2. The minimum qualifying capital investment is one hundred dollars (\$100) per square foot of building floor area improved, and at least 20 percent (20%) of the total building floor area must be improved.
3. The minimum qualifying capital investment may include off-site investment in state-of-the-art technology, such as installation of new fiber optic wiring to the building, to meet modem standards, particularly those of technology-oriented companies.



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4. The minimum qualifying capital investment may include off-site improvements, such as streetscape improvements, and on-site improvements such as new landscaping in parking lots to implement specific objectives of the Germantown Employment Area Sector Plan, 2009. These improvements must be part of a building construction or building improvement project.
5. Construction of new parking facilities or improvements to existing parking facilities are not eligible for tax credit, except where such parking facility is an integral part of the new building construction or improvement of an existing building.

52.102.01.06 Severability

If a court holds that a portion of this regulation is invalid, the other portions remain in effect.

52.102.01.07 Retroactive Application

This regulation takes effect upon approval by the County Council and applies retroactively to the MCGC RISE Zone as of July 10, 2018.



 Marc Elrich,
 County Executive

Date: 3/28/2022

Approved as to Form and Legality



 Office of the County Attorney

Date: 3/25/2022



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FIGURE 1

Montgomery College RISE Zone





Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
R. Michael Gill | Secretary of Commerce
Benjamin H. Wu | Deputy Secretary of Commerce
September 28, 2018

Dr. Derionne P. Pollard
President
Office of the President
Montgomery College
9211 Corporate Blvd.
Rockville 20850

Dear Dr. Pollard:

Pursuant to Economic Development Article §5-1404 (e), and after consultation with my advisors and the Legislative Policy Committee, I hereby approve designation of the Montgomery College RISE Zone, as described in the application which was filed with my office July 23, 2018.

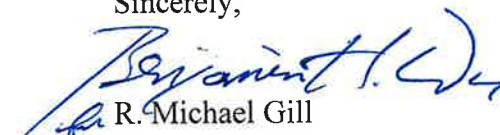
The RISE Zone shall be subject to the following preconditions:

- 1) The local incentives and initiatives described in the application shall be offered to qualified businesses located in or locating to the RISE Zone as described in §5-1406.
- 2) By September 15th of every year, the RISE Zone Administrator shall provide the Maryland Department of Commerce with the Zone's Annual Report in the form requested by the Department per §5-1407.
- 3) Prior to any change in the Zone or incentives, a letter must be submitted to this office requesting review and approval of the proposal. The letter must outline the reason(s) for the change and assess the impact of the changes on both existing and possible new businesses.

Please be advised that pursuant to §5-1404 (f), the designation period for the RISE Zone is five years and expires September 27, 2023.

Any questions about administrative matters, such as annual report requirements, submissions, dates or business certifications, should be addressed to Mr. Mark A. Vulcan, Program Manager, Tax Incentives, Commerce (410-767-6438).

Sincerely,



R. Michael Gill
Secretary

Dr. DeRionne P. Pollard

September 28, 2018

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cc: The Honorable Thomas V. "Mike" Miller, Jr.
The Honorable Michael E. Busch
The Honorable Isiah Leggett, Montgomery County Executive
Ms. Lily Qi, Assistant Chief Administrative Officer, Montgomery County
Ms. Martha A. Schoonmaker, CECD; Executive Director, PIC MC
Ms. Rhonda Ray, Director, Policy and Government Affairs, Department of Commerce
Mr. Mark A. Vulcan, Program Manager, Office of Finance Programs, Department of
Commerce



MONTGOMERY COLLEGE GERMANTOWN CAMPUS RISE ZONE

APPLICATION FOR CERTIFICATION OF ELIGIBILITY - PROPERTY TAX CREDITS

PROPERTY OWNERS SEEKING A PROPERTY TAX CREDIT ON THE NEXT APPLICABLE
JULY 1 TAX BILL MUST SUBMIT THIS APPLICATION BY **DECEMBER 10** OF THE PRECEDING YEAR

1. Applicant Name _____

The Applicant is the ___ Property Owner ___ Tennant

Address (Property in the RISE Zone where improvements to the property have been made or will be made. (Attach a copy of the Certificate of Occupancy if presently occupied):

2. Real Property

(a) Application for Levy (Tax) Year: _____

(b) Real Property Tax Account Number: _____

3. Application for (Please check one): ___ PRE-CERTIFICATION or ___ CERTIFICATION []. **See Instructions at bottom of application.**

4. Name of Property Owner _____ 5. Firm _____

6. Address _____

7. Telephone _____

8. Email _____

9. Total full-time employment: Current: _____ As of December 31 of the previous year: _____

10. Present Assessed Value of Above Property (on which Property Tax is calculated) \$ _____

11. Description of Improvements Qualifying for Minimum Capital Investment in Accordance with the Montgomery College
Germantown Campus RISE Zone Executive Regulations (Attach Certificate of Costs) _____

12. Date of Start of Above Improvements _____

13. Date of Completion of Above Improvements _____

The application continues the next page

	<u>Renovations</u>	<u>New Construction</u>
14. Amount of Capital Investment in Building Completed or Projected	\$ _____	\$ _____
15. Amount of Capital Investment in Other Qualifying Improvements	\$ _____	\$ _____
16. Total Amount of Capital Investment Completed or Projected (lines 14 + 15)	\$ _____	\$ _____
17. Total Building Floor Area Improved or to be Improved (Sq. Ft.)	_____ Sq.Ft.	_____ Sq.Ft.
18. Total Capital Investment per Sq. Ft. of Floor Area Improved (Line 16 ÷ Line 17)	\$ _____	\$ _____
19. Total Floor Area of Building (Sq. Ft.)	_____	_____
20. Percent of Building Improved (Line 17 ÷ Line 19)	_____ %	_____ %
21. Personal Property Tax ID Number _____		

Machinery & Equipment Cost: \$ _____

22. CERTIFICATION:

I hereby certify that I am (Please check one) () the legal owner of the property or () the legal representative of the improved property, or projected to be improved property, and the information provided in this application is true and correct.

I understand that failure to comply with local and State RISE Zone laws and regulations may result in decertification of eligibility.

_____	_____	_____
Name of Property Owner (Type or Print)	Signature of Property Owner/Corporate Title	Date

Instructions for Item 3: Property owners who file for pre-certification will receive a pre-certification notice from the Administrator that they will be certified as eligible if the criteria for minimum qualifying capital investment are met and if the improvements are made and the application is filed. This notice **is not** a certification. To qualify for the tax credit on the next applicable tax bill, an application for certification must be filed by **December 10** of the preceding year.

Attachment: Copy of the Executive Regulations of the Montgomery College Germantown Campus RISE Zone Program



MONTGOMERY COLLEGE GERMANTOWN CAMPUS RISE ZONE

APPLICATION FOR CERTIFICATION OF ELIGIBILITY - INCOME TAX CREDITS

THIS APPLICATION MUST BE RECEIVED BY THE RISE ZONE ADMINISTRATOR
AT LEAST 30 DAYS PRIOR TO THE FILING DEADLINE FOR BUSINESS INCOME
 TAXES FOR THE YEAR IN WHICH THE INCOME TAX CREDIT IS BEING SOUGHT.

1. Name of Firm _____
2. Tax Year to be Certified _____
3. Contact Person/Title _____ 4. Phone _____
5. Address in Zone _____ 6. How Long in Zone? _____

Note: A copy of the certificate(s) of occupancy for this premises must accompany this form.

7. Prior Address _____
8. Legal Status: Corporation Limited Liability Company Partnership Sole Proprietorship
 Other _____
9. Type of Business _____
10. North American Industrial Classification System (NAICS) Code: _____

(If unknown, go to www.census.gov/naics)

11. Tax Identification Numbers: 11 a. Central Registration No. (State) _____

12. Total number of Full time Employees ¹

<i>Complete Column A. Use Columns B and C only if jobs were relocated to the RISE Zone</i>	Column A	Column B	Column C
	A. Jobs in RISE Zone ²	B. Jobs at Previous Location in Maryland	C. Jobs at Previous Location Outside Maryland
(a) Before September 28, 2018 (Baseline)			
(b) In Year firm located to RISE Zone			
(c) In Tax Year for which Certification is sought			
(d) Previous Tax Year (Indicate highest number of jobs)			
1. Full time employees must work at least 35 hours per week for at least 6 months			
2. Employees must earn at least 150% of the prevailing Federal Minimum Wage and spend at least 50% of their working hours in the RISE Zone.			

This application continues on the next page

13. *I hereby certify* that I am authorized to act on behalf of the above applicant firm and attest that the above information is true.

- (A) I understand the applicant firm may be required to submit documentation in the form of payroll records and employee time sheets to verify the above information.
- (B) I understand that failure to comply with the Montgomery County or State RISE Zone regulations, including submission of an **Annual Employment Report and Notice of Tax Credits Received** may result in decertification of eligibility.
- (C) I further certify that the applicant is current with respect to payment of income and personal property taxes and **authorize the Comptroller to disclose state income tax information** for the years 2018 to the present to Montgomery County.

16. _____
Authorized Official (Type or Print)

Title

Signature of Authorized Official

Date

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of Executive Regulation 2-22, Montgomery College Germantown Campus Regional Institution Strategic Enterprise Zone

Background

1. The Council received Executive Regulation 2-22, *Montgomery College Germantown Campus Regional Institution Strategic Enterprise Zone*, on March 28, 2022.
2. The regulation was submitted as a Method (2) regulation per §2A-15 of the County Code and establishes the qualifying criteria for determination and certification of eligible businesses and/or commercial property located in the boundaries of the Montgomery College Germantown Campus Regional Institution Strategic Enterprise Zone.
3. The Council must review the Executive regulation under Method (2) of §2A-15 of the County Code.
4. The Executive regulation under Method (2) automatically takes effect if the Council does not approve or disapprove an Executive regulation under Method (2) within 60 calendar days after the Council receives the regulation.
5. Section 2A-15 of the County Code allows the Council to extend the deadline for action on an Executive regulation under Method (2).
6. The Council extended time to consider Executive Regulation 2-22 on May 10, 2022.
7. The Planning, Housing, and Economic Development Committee reviewed the proposed regulation and recommended approval, requesting that Executive staff update minor typographical errors for certain dates prior to final publication.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

Executive Regulation 2-22, Montgomery College Germantown Campus Regional Institution Strategic Enterprise Zone, is approved.

This is a correct copy of Council action.

Judy Rupp
Clerk of the Council