

## 1 COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

**2023 Legislative Session**Bill No. CB-072-2023Chapter No. 77Proposed and Presented by Council Members Franklin, Harrison, and HawkinsIntroduced by Council Members Franklin, Harrison, Hawkins, Blegay, Watson, Ivey,  
Dernoga, Olson and Fisher

Co-Sponsors \_\_\_\_\_

Date of Introduction October 17, 2023**BILL**

2 AN ACT concerning

3 Prince George's County CHIPS Act of 2023

4 For the purpose of establishing an incentive program for the manufacture, research and  
5 development of semiconductors in Prince George's County, known as the Creating Helpful  
6 Incentives to Produce Semiconductors ("CHIPS") Act for Prince George's County's workforce  
7 and economy.8  
9 BY adding:

10 SUBTITLE 10. FINANCE AND TAXATION.

11 Section 10-348,

12 The Prince George's County Code

13 (2019 Edition; 2022 Supplement).

14 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,  
15 Maryland, that Section 10-348 of the Prince George's County Code be and the same is hereby  
16 added:17 **SUBTITLE 10. FINANCE AND TAXATION.**18 **DIVISION 33. INCENTIVES FOR THE RESEARCH, DEVELOPMENT, AND**  
19 **MANUFACTURE OF SEMICONDUCTORS.**20 **Sec. 10-348. Incentives for the Research, Development, and Manufacture of**  
21 **Semiconductors Established.**

1 (a) Definitions. The words defined in this Section shall have the meanings set forth below:

2 (1) **Semiconductor** means a solid-state electrical device which performs functions such  
3 as information processing and display, power handling, and interconversion between light energy  
4 and electrical energy. **Semiconductor** also includes anything that can be regarded as a computer  
5 chip or its related components and printed board circuits.

6 (2) **Manufacturing or manufacture** means any process or operation involved in the  
7 production, fabrication, and finish of items or materials, including the manufacture of  
8 intermediate products in the supply chain for such items or materials.

9 (3) **Research and development** means any process intended to create new or improved  
10 technology.

11 (4) **Site** means a defined physical location as shown on an application for a  
12 semiconductor manufacturing, research and development incentive in accordance with this  
13 section.

14 (b) Ten-year incentive for semiconductor manufacturing, research and development.

15 (1) Any entity (“applicant”) engaged in the research and development and/or  
16 manufacture of semiconductors (“semiconductor production”) shall be annually awarded funds  
17 by the County equivalent to the applicant’s costs for semiconductor production in the County  
18 (“semiconductor incentive”), provided that

19 (A) Over 70% of the site’s buildings, facilities, and structures are utilized for  
20 semiconductor production, excluding the packaging and storage of semiconductors; and

21 (B) The maximum annual semiconductor incentive shall be the amount incurred that  
22 taxable year in County taxes on real property and personal property attributable to the site and  
23 the semiconductor production activities at the site, minus

24 (i) any other County tax credits, incentives, and abatements awarded to the site  
25 and/or to semiconductor production activities at the site and

26 (ii) the level of County taxes on real property and personal property attributable to  
27 the site and/or the semiconductor production activities at the site in the taxable year immediately  
28 prior to the initial award of the semiconductor incentive (“base year”); and

29 (C) New construction or renovation of buildings, facilities, and/or structures within  
30 the site constructed or renovated for the purpose of semiconductor production shall be eligible  
31 semiconductor production costs for the semiconductor incentive, and

1           (D) The period of eligibility for this annual semiconductor incentive is ten (10)  
2 taxable years after the base year.

3           (2) Only semiconductor production activities that occur after the initial effective date of  
4 this section are eligible costs for the semiconductor incentive.

5           (3) An applicant awarded an incentive under this section shall enroll as a mentor in the  
6 County’s mentor-protégé program as authorized under Subtitle 10A as a condition of award.

7           (c) The Office of Finance shall administer this section, including establishing application  
8 and approval procedures. The County Executive may also designate other county agencies,  
9 offices, or departments (including quasi-public agencies) to assist the Office of Finance with the  
10 administration of this section.

11           \*           \*           \*           \*           \*           \*           \*           \*           \*

12           SECTION 2. BE IT FURTHER ENACTED that the provisions of this Act are hereby  
13 declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph,  
14 sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of  
15 competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining  
16 words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this  
17 Act, since the same would have been enacted without the incorporation in this Act of any such  
18 invalid or unconstitutional word, phrase, clause, sentence, paragraph, subparagraph, subsection,  
19 or section.

20           SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)  
21 calendar days after it becomes law.

Adopted this 14<sup>th</sup> day of November, 2023.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
Thomas E. Dernoga  
Chair

ATTEST:

\_\_\_\_\_  
Donna J. Brown  
Clerk of the Council

APPROVED:

DATE: \_\_\_\_\_ BY: \_\_\_\_\_  
Angela D. Alsobrooks  
County Executive

KEY:  
Underscoring indicates language added to existing law.  
[Brackets] indicate language deleted from existing law.  
Asterisks \*\*\* indicate intervening existing Code provisions that remain unchanged.

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**THE COUNTY EXECUTIVE HAVING FAILED TO RETURN THIS BILL WITH EITHER  
HER APPROVAL OR VETO WITHIN TEN (10) DAYS AFTER THE DATE OF ITS  
PRESENTATION TO HER, THIS BILL BECAME LAW ON DECEMBER 15, 2023.**