

SENATE BILL 927

Q1

11r2968

By: **Senator Simonaire**

Introduced and read first time: February 24, 2011

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Exemption for Charitable or Educational Purposes – Property**
3 **for Benefit of Qualifying Organization**

4 FOR the purpose of adding certain requirements for property to be eligible for a
5 certain property tax exemption for property used for certain charitable or
6 educational purposes; requiring the Department of Assessments and Taxation
7 to adopt certain regulations; providing for the application of this Act; and
8 generally relating to requirements for a certain property tax exemption.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 7–202(b)
12 Annotated Code of Maryland
13 (2007 Replacement Volume and 2010 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article – Tax – Property**

17 7–202.

18 (b) (1) Except as provided in subsection (c) of this section, property is not
19 subject to property tax if the property:

20 (i) is necessary for and actually used exclusively for a
21 charitable or educational purpose to promote the general welfare of the people of the
22 State, including an activity or an athletic program of an educational institution; and

23 (ii) is owned by:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 1. a nonprofit hospital;
- 2 2. a nonprofit charitable, fraternal, educational, or
3 literary organization including:
- 4 A. a public library that is authorized under Title 23 of
5 the Education Article; and
- 6 B. a men's or women's club that is a nonpolitical and
7 nonstock club;
- 8 3. a corporation, limited liability company, or trustee
9 that:
- 10 A. holds the property for the sole benefit of an
11 organization that qualifies for an exemption under this section; AND
- 12 B. **AS DETERMINED BY REGULATIONS ADOPTED BY
13 THE DEPARTMENT, IS OPERATED, SUPERVISED, OR CONTROLLED BY AN
14 ORGANIZATION THAT QUALIFIES FOR AN EXEMPTION UNDER THIS SECTION;** or
- 15 4. a nonprofit housing corporation.

16 (2) The exemption under paragraph (1)(ii)1 of this subsection includes
17 any personal property initially leased by a nonprofit hospital for more than 1 year
18 under a lease that is noncancellable except for cause.

19 **(3) THE DEPARTMENT SHALL ADOPT REGULATIONS TO MAKE
20 THE DETERMINATION REQUIRED UNDER PARAGRAPH (1)(II)3B OF THIS
21 SUBSECTION.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 June 1, 2011, and shall be applicable to all taxable years beginning after June 30,
24 2011.