

Chapter 692

(Senate Bill 273)

AN ACT concerning

State Forest, State Park, and Wildlife Management Area Revenue Equity Program

FOR the purpose of prohibiting a county from receiving certain revenues derived from a State forest or State park reserve within a county if the county receives a certain payment in a fiscal year; prohibiting a county from receiving certain revenues derived from concession operations within a State forest or State park if the county receives a certain payment in a fiscal year; requiring certain payments to certain counties for State forests, State parks, and wildlife management areas that are exempt from the property tax; providing for the amount calculation of the payments; ~~establishing eligibility criteria for a county to receive certain payments for State forests, State parks, and wildlife management areas that are exempt from the property tax; providing for a triennial adjustment to the amount of the payments beginning in a certain fiscal year; establishing the manner of determining which land is considered in determining the amount of the payment; clarifying how to apportion the land in a State forest, State park, or wildlife management area that is contained in multiple counties;~~ clarifying when land shall be included in the total number of acres for a county in a fiscal year calculation of payments to a county; excluding certain lands from being included in the total number of acres in calculation of payments to a county; requiring the State Department of Assessments and Taxation, in consultation with the Secretary of Natural Resources, to certify certain information to the Governor and the Secretary of Budget and Management on or before a certain date each year; ~~requiring the Governor to include certain amounts to be paid to each county in the annual budget bill;~~ requiring the State to pay to each county a certain percent of a certain payment on or before certain dates; clarifying that the provisions of this Act may not be construed to prohibit the application of or collection of certain taxes; *providing for the application of certain provisions of this Act*; defining certain terms; and generally relating to payments to counties for State forests, State parks, and wildlife management areas within a county.

BY repealing and reenacting, without amendments,
 Article – Natural Resources
 Section 5–101(a) and (e) and 10–801
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
 Article – Natural Resources
 Section 5–212 and 5–212.1
 Annotated Code of Maryland
 (2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Tax – Property

Section 6–102, 7–210, 7–211(c), and 7–501(a) and (b)

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

BY adding to

Article – Tax – Property

Section 6.5–101 through 6.5–301 to be under the new title “Title 6.5. State Forest,
State Park, and Wildlife Management Area Revenue Equity Program”

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

Article – Natural Resources

5–101.

(a) In this title the following words have the meanings indicated.

(e) (1) “Forest land” means a biological community dominated by trees and other woody plants that are capable of producing timber or other wood products with a stocking of at least 100 trees per acre with at least 50% of those trees having a 2–inch or greater diameter at 4.5 feet above the ground.

(2) “Forest land” includes forested areas that have been cut but not converted to other land uses.

5–212.

(a) In this section, “Fund” means the Forest or Park Reserve Fund.

(b) There is a Forest or Park Reserve Fund in the Department.

(c) The purpose of the Fund is to enable the Department to purchase and manage in the name of the State lands suitable for forest culture, reserves, watershed protection, State parks, scenic preserves, historic monuments, parkways, and State recreational reserves.

(d) The Department shall administer the Fund.

(e) (1) The Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.

(2) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(f) The Fund consists of:

(1) Except as provided in § 5–307(f)(4) of this title, any money obtained from the State forest reserves, State parks, scenic reserves, parkways, historic monuments, and recreation areas;

(2) Revenue distributed to the Fund from fines collected under § 5–1302 of this title; and

(3) Revenue received by the Fund under § 5–207(b) of this subtitle.

(g) (1) Subject to [paragraph] **PARAGRAPHS (3) AND (4)** of this subsection, the Fund may be used only for:

(i) 1. Purchasing and managing in the name of the State lands suitable for forest culture, reserves, watershed protection, State parks, scenic preserves, historic monuments, parkways, and State recreational reserves; and

2. Helping to offset the costs to the Forest and Park Service for developing and implementing a forest health emergency contingency program under § 5–307 of this title;

(ii) Subject to [paragraph] **PARAGRAPHS (2) AND (4)** of this subsection, payments to counties in the amount of:

1. If the State forest or park reserve comprises less than 10% of the total land area of the county, a sum equal to 15% of the revenue derived from the State forest or park reserve located in that county; and

2. If the State forest or park reserve comprises 10% or more of the total land area of the county, a sum equal to 25% of the revenue derived from the State forest or park reserve located in that county; and

(iii) Administrative costs calculated in accordance with § 1–103(b)(2) of this article.

(2) For fiscal years 2012, 2013, and 2015 only, the payments under paragraph (1)(ii) of this subsection shall be based only on the revenue derived from sales of timber.

(3) From revenues described in subsection (f) of this section that are attributable to Maryland Park Service operations, less any amount of those revenues

allocated for administrative costs in accordance with paragraph (1)(iii) of this subsection, the Governor shall include in the State budget an appropriation for the Maryland Park Service equal to:

- (i) At least 60% of the remaining revenues, for fiscal year 2016;
- (ii) At least 80% of the remaining revenues, for fiscal year 2017; and
- (iii) 100% of the remaining revenues, for fiscal year 2018 and each fiscal year thereafter.

(4) A COUNTY MAY NOT RECEIVE A PAYMENT UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION IN A FISCAL YEAR IF THE COUNTY RECEIVES A PAYMENT FROM THE STATE UNDER § 6.5–201 OF THE TAX – PROPERTY ARTICLE IN THE SAME FISCAL YEAR.

(h) (1) The Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any investment earnings of the Fund shall be credited to the General Fund of the State.

(i) Expenditures from the Fund may be made only in accordance with the State budget.

5–212.1.

(a) (1) In this section the following words have the meanings indicated.

(2) “Account” means the Forest and Park Concession Account.

(3) (i) “Concession operations” means activities within a State forest or park that:

1. Raise revenue;
2. Function under a separate budget system; and
3. Supplement the operation of the facility where it is

located.

(ii) “Concession operations” includes:

1. Food concessions;
2. Boat rentals;

3. Gift shops;
4. Marine sales;
5. Snack bars; and
6. Camp stores.

(b) There is a Forest and Park Concession Account in the Department.

(c) The purpose of the Account is to finance:

- (1) The maintenance and operation of concession operations; and
- (2) The functions of State forests and parks.

(d) The Department shall administer the Account.

(e) (1) The Treasurer shall hold the Account separately and the Comptroller shall reconcile the Account.

(2) The Account is a special, nonlapsing account that is not subject to § 7–302 of the State Finance and Procurement Article.

(f) The Account consists of any money derived from concession operations in State forests and parks.

(g) (1) Except as provided in paragraph (2) of this subsection, the Account shall be used only for:

(i) The maintenance and operation of concession operations;

(ii) The function of State forests and parks to the extent of the projected balance of the Account from the prior fiscal year; and

(iii) Administrative costs calculated in accordance with § 1–103(b)(2) of this article.

(2) (i) Subject to [subparagraph] **SUBPARAGRAPHS (ii) AND (iii)** of this paragraph, each county in which any State forest or park is located shall be paid annually out of the Account:

1. If the State forest or park reserve comprises less than 10% of the total land area of the county, a sum equal to 15% of the net revenue derived from concession operations within a State forest or park located in that county; or

2. If the State forest or park reserve comprises 10% or more of the total land area of the county, a sum equal to 25% of the net revenue derived from concession operations within a State forest or park located in that county.

(ii) For fiscal year 2015 only, the payments under subparagraph (i) of this paragraph may not be made.

(III) A COUNTY MAY NOT RECEIVE A PAYMENT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IN A FISCAL YEAR IF THE COUNTY RECEIVES A PAYMENT FROM THE STATE UNDER § 6.5-201 OF THE TAX – PROPERTY ARTICLE IN THE SAME FISCAL YEAR.

(h) (1) The Treasurer shall invest the money of the Account in the same manner as other State money may be invested.

(2) Any investment earnings of the Account shall be credited to the General Fund of the State.

(i) (1) Expenditures from the Account may be made only in accordance with the State budget.

(2) The budget submitted by the Governor to the General Assembly shall include the revenues and expenditures of the Account in the same detail as other special fund accounts administered by the Department.

10-801.

(a) The Department may acquire, by purchase, lease, condemnation, or gift, title or control of any area of land or water in the State suitable to protect, propagate, or manage wildlife or for hunting purposes. The area of land or water shall be known as a wildlife management area. Any area of land or water greater than 100 acres may be acquired in Garrett County or Allegany County only with the approval of that county. This requirement does not apply to any areas which have previously been authorized for acquisition by the General Assembly.

(b) The Department may purchase or erect any structure necessary for wildlife management and may purchase or lease any area of land or water excluding the ownership of and the right to drill any mineral, oil, or gas.

Article – Tax – Property

6-102.

(a) Except as otherwise provided in this section, a leasehold or other limited interest in property is not subject to property tax.

(b) An interest of a life tenant or the owner of any other freehold estate in property is subject to property tax as though the person in possession or the user of the property were the owner of the property.

(c) An interest of the mortgagor, pledgor, or conditional sale buyer in personal property is subject to property tax as though the person in possession or the user of the personal property were the owner of the personal property.

(d) The following interests in real property are subject to property tax as though the person in possession or the user of the property were the owner of the property:

(1) an interest of a tenant under a 99-year lease, whether or not the lease is renewable;

(2) an interest of a tenant under a lease for less than 99 years, if the lease is perpetually renewable; and

(3) an interest of a mortgagor or grantor under a deed of trust.

(e) Unless exempted under § 7–211, § 7–211.1, § 7–244, or § 7–501 of this article, the interest or privilege of a person in property that is owned by the federal government, the State, a county, a municipal corporation, or an agency or instrumentality of the federal government, the State, a county, or a municipal corporation is subject to property tax as though the lessee or the user of the property were the owner of the property, if the property is leased or otherwise made available to that person:

(1) by the federal government, the State, a county, a municipal corporation, or an agency or instrumentality of the federal government, the State, a county, or a municipal corporation; and

(2) with the privilege to use the property in connection with a business that is conducted for profit.

TITLE 6.5. STATE FOREST, STATE PARK, AND WILDLIFE MANAGEMENT AREA REVENUE EQUITY PROGRAM.

SUBTITLE 1. GENERAL PROVISIONS.

6.5–101.

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “FOREST LAND” HAS THE MEANING STATED IN § 5–101 OF THE NATURAL RESOURCES ARTICLE.

(C) "STATE FOREST" MEANS FOREST LAND OWNED OR LEASED BY THE DEPARTMENT OF NATURAL RESOURCES.

(D) "STATE PARK" MEANS A PARK OWNED BY THE STATE THAT IS PROMOTED, ADMINISTERED, OR MANAGED BY THE DEPARTMENT OF NATURAL RESOURCES.

~~(E) (1) "UNIT OF OPEN SPACE" MEANS 10,000 ACRES OF LAND WITHIN A COUNTY THAT CONSISTS OF STATE FORESTS, STATE PARKS, OR WILDLIFE MANAGEMENT AREAS.~~

~~(2) A "UNIT OF OPEN SPACE" MAY BE LESS THAN 10,000 ACRES AS PROVIDED UNDER § 6.5-201 OF THIS TITLE.~~

~~(F) (E)~~ "WILDLIFE MANAGEMENT AREA" MEANS LAND ACQUIRED AND USED BY THE STATE IN ACCORDANCE WITH TITLE 10, SUBTITLE 8 OF THE NATURAL RESOURCES ARTICLE.

6.5-102.

THIS TITLE APPLIES TO COUNTIES THAT HAVE AT:

(1) AT LEAST ~~40,000~~ 65,000 ACRES OF STATE FORESTS, STATE PARKS, AND WILDLIFE MANAGEMENT AREAS THAT ARE EXEMPT FROM THE PROPERTY TAX UNDER § 7-210 OF THIS ARTICLE; OR

(2) (I) AT LEAST 40,000 ACRES OF STATE FORESTS, STATE PARKS, AND WILDLIFE MANAGEMENT AREAS THAT ARE EXEMPT FROM THE PROPERTY TAX UNDER § 7-210 OF THIS ARTICLE; AND

(II) A COUNTY REAL PROPERTY TAX RATE OF AT LEAST \$1.00 FOR EACH \$100 OF ASSESSMENT.

SUBTITLE 2. PAYMENTS TO COUNTIES.

6.5-201.

~~(A) (1) SUBJECT TO PARAGRAPHS (3) AND (4) OF THIS SUBSECTION, BEGINNING IN FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE STATE SHALL PAY TO EACH COUNTY \$250,000 FOR EACH UNIT OF OPEN SPACE IN THE COUNTY.~~

~~(2) THE PAYMENTS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE BASED ON THE NUMBER OF UNITS OF OPEN SPACE IN A COUNTY IN THE PRECEDING FISCAL YEAR.~~

~~(3) (I) IN FISCAL YEAR 2019, A COUNTY MAY NOT RECEIVE A PAYMENT IN ACCORDANCE WITH THIS SECTION UNLESS THE COUNTY HAS AT LEAST SEVEN UNITS OF OPEN SPACE.~~

~~(II) IN FISCAL YEAR 2020, A COUNTY MAY NOT RECEIVE A PAYMENT IN ACCORDANCE WITH THIS SECTION UNLESS THE COUNTY HAS AT LEAST FIVE UNITS OF OPEN SPACE.~~

~~(III) IN FISCAL YEAR 2021 AND EACH FISCAL YEAR THEREAFTER, A COUNTY MAY NOT RECEIVE A PAYMENT IN ACCORDANCE WITH THIS SECTION UNLESS THE COUNTY HAS AT LEAST THREE UNITS OF OPEN SPACE.~~

~~(4) (I) IN THIS PARAGRAPH, "CONSUMER PRICE INDEX" MEANS THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS PUBLISHED MONTHLY BY THE BUREAU OF LABOR STATISTICS OF THE U.S. DEPARTMENT OF LABOR THAT IS THE U.S. CITY AVERAGE OF ALL ITEMS IN A BASKET OF CONSUMER GOODS AND SERVICES.~~

~~(II) BEGINNING WITH PAYMENTS MADE IN FISCAL YEAR 2022, AND EVERY 3 YEARS THEREAFTER, THE AMOUNT THE STATE IS REQUIRED TO PAY FOR EACH UNIT OF OPEN SPACE SHALL BE ADJUSTED TO REFLECT THE CHANGE IN THE CONSUMER PRICE INDEX FROM JULY 1 OF THE THIRD PRECEDING FISCAL YEAR THROUGH JUNE 30 OF THE PRECEDING FISCAL YEAR.~~

~~(B) THE NUMBER OF UNITS OF OPEN SPACE IN A COUNTY SHALL BE DETERMINED BY:~~

~~(1) SUBJECT TO SUBSECTION (D) OF THIS SECTION, THE TOTAL NUMBER OF ACRES IN A COUNTY THAT ARE INCLUDED IN A STATE FOREST, STATE PARK, OR WILDLIFE MANAGEMENT AREA;~~

~~(2) ROUNDING THE NUMBER OF ACRES DETERMINED UNDER ITEM (1) OF THIS SUBSECTION UP TO THE NEAREST WHOLE ACRE;~~

~~(3) DIVIDING THE NUMBER OF ACRES DETERMINED UNDER ITEM (2) OF THIS SUBSECTION BY 10,000; AND~~

~~(4) ROUNDING THE NUMBER DETERMINED UNDER ITEM (3) OF THIS SUBSECTION UP TO THE NEAREST WHOLE NUMBER.~~

~~(C) IF A STATE FOREST, STATE PARK, OR WILDLIFE MANAGEMENT AREA IS CONTAINED WITHIN THE BOUNDARIES OF MORE THAN ONE COUNTY, THE NUMBER OF ACRES ATTRIBUTABLE TO THAT STATE FOREST, STATE PARK, OR WILDLIFE MANAGEMENT AREA SHALL BE ALLOCATED TO EACH COUNTY BASED ON THE PERCENTAGE CONTAINED WITHIN EACH COUNTY.~~

(A) BEGINNING IN FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE STATE SHALL PAY TO EACH COUNTY AN AMOUNT EQUAL TO THE COUNTY PROPERTY TAX RATE MULTIPLIED BY THE ASSESSED VALUE, AS DETERMINED BY THE DEPARTMENT, OF THE STATE FORESTS, STATE PARKS, AND WILDLIFE MANAGEMENT AREAS IN THE COUNTY THAT ARE EXEMPT FROM THE PROPERTY TAX UNDER § 7-210 OF THIS ARTICLE.

~~(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, LAND THAT IS PART OF A STATE FOREST, STATE PARK, OR WILDLIFE MANAGEMENT AREA AT ANY TIME DURING A FISCAL YEAR AND EXEMPT FROM THE PROPERTY TAX UNDER § 7-210 OF THIS ARTICLE SHALL BE INCLUDED WHEN DETERMINING THE TOTAL NUMBER OF ACRES UNDER SUBSECTION (B) CALCULATING THE AMOUNT THAT THE STATE SHALL PAY A COUNTY UNDER SUBSECTION (A) OF THIS SECTION.~~

(2) THE FOLLOWING MAY NOT BE INCLUDED WHEN ~~DETERMINING THE NUMBER OF UNITS OF OPEN SPACE IN A COUNTY~~ CALCULATING THE AMOUNT THAT THE STATE SHALL PAY A COUNTY UNDER SUBSECTION (A) OF THIS SECTION:

(I) PROPERTY THAT IS SUBJECT TO PROPERTY TAX UNDER § 6-102 OF THIS ARTICLE;

(II) PROPERTY THAT IS EXEMPT FROM PROPERTY TAX IN ACCORDANCE WITH § 7-501 OF THIS ARTICLE;

(III) STATE PROPERTY FOR WHICH A PAYMENT IN LIEU OF TAX AGREEMENT IS IN EFFECT UNDER § 7-211(C) OR § 7-501 OF THIS ARTICLE; OR

(IV) THE PORTION OF DEEP CREEK LAKE STATE PARK THAT IS ATTRIBUTABLE TO PAYMENTS REQUIRED UNDER § 5-215 OF THE NATURAL RESOURCES ARTICLE.

6.5-202.

(A) ~~(1)~~ ON OR BEFORE DECEMBER 1 EACH YEAR, THE DEPARTMENT, IN CONSULTATION WITH THE SECRETARY OF NATURAL RESOURCES, SHALL CERTIFY TO THE GOVERNOR AND THE SECRETARY OF BUDGET AND MANAGEMENT:

~~(I) (1) THE TOTAL NUMBER OF UNITS OF OPEN SPACE ASSESSED VALUE OF ALL STATE FORESTS, STATE PARKS, AND WILDLIFE MANAGEMENT AREAS IN EACH COUNTY THAT ARE EXEMPT FROM THE PROPERTY TAX UNDER § 7-210 OF THIS ARTICLE, AS DETERMINED UNDER § 6.5-201 OF THIS SUBTITLE; AND~~

~~(II) (2) THE TOTAL AMOUNT TO BE PAID BY THE STATE TO EACH COUNTY AS DETERMINED UNDER § 6.5-201 OF THIS SUBTITLE.~~

~~(2) THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL THE TOTAL AMOUNT TO BE PAID TO EACH COUNTY AS CERTIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

(B) ON OR BEFORE OCTOBER 1, JANUARY 1, APRIL 1, AND JUNE 1 EACH FISCAL YEAR, THE STATE SHALL PAY 25% OF THE AMOUNT CERTIFIED UNDER SUBSECTION (A) OF THIS SECTION TO EACH COUNTY.

SUBTITLE 3. MISCELLANEOUS.

6.5-301.

(A) IN THIS SECTION, "LOCAL TAX" MEANS A TAX IMPOSED BY A COUNTY OR MUNICIPAL CORPORATION.

(B) THIS TITLE MAY NOT BE CONSTRUED TO PROHIBIT THE APPLICATION OF OR COLLECTION OF A LOCAL TAX ON THE EXTRACTION OF NATURAL RESOURCES.

7-210.

(a) Except as otherwise provided in § 6-102 of this article and except as otherwise provided under this section, government-owned property is not subject to property tax, if the property:

(1) is devoted to a governmental use or purpose; and

(2) is owned by:

(i) the federal government;

(ii) the State;

(iii) a county or a municipal corporation; or

(iv) an agency or instrumentality of the federal government, the State, a county, or of a municipal corporation.

(b) The exemption provided for the property owned by an agency or instrumentality in subsection (a)(2)(iv) of this section applies only to the extent that a law exempts the property.

7-211.

(c) (1) Except for an interest in federal enclave property as defined in § 7-211.3 of this subtitle, an interest of a person in any property of the federal government or the State is not subject to property tax, if the government that owns the property makes negotiated payments in lieu of tax payments.

(2) Land owned by the federal government that is the location for federal enclave property as defined in § 7-211.3 of this subtitle is not subject to property tax.

7-501.

(a) The governing body of Allegany County, Anne Arundel County, Montgomery County, or Washington County or the governing body of a municipal corporation in those counties may authorize, by law, an exemption from county or municipal corporation property tax for the property that is described in § 6-102(e) of this article.

(b) Except for an interest in federal enclave property as defined in § 7-211.3 of this title, in all counties except Worcester County, the governing body of the county or of a municipal corporation in those counties or the Mayor and City Council of Baltimore City may authorize, by law, an exemption from county or municipal corporation property tax for the property described in § 6-102(e) of this article and provide for a negotiated payment in lieu of the tax.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 25, 2017.