
By: **Allegany County Delegation**

Introduced and read first time: February 4, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Personal Property - Tax Exemptions and Credits - Effect on State Aid**

3 FOR the purpose of requiring that certain property granted certain tax credits or
4 exemptions for certain purposes may not be treated as taxable personal property
5 for purposes of calculating the payment of certain State aid; providing for the
6 application of this Act; and generally relating to personal property assessments,
7 tax exemptions and credits, and the effect on State aid.

8 BY repealing and reenacting, with amendments,
9 Article - Tax - Property
10 Section 9-205 and 9-302(i)
11 Annotated Code of Maryland
12 (1994 Replacement Volume and 1998 Supplement)

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

15 **Article - Tax - Property**

16 9-205.

17 (a) The Mayor and City Council of Baltimore City or the governing body of a
18 county or of a municipal corporation may grant, by law, a property tax credit under
19 this section against the county or municipal corporation property tax imposed on part
20 or all of the property of any manufacturing, fabricating, or assembling facility that:

- 21 (1) locates in the county or municipal corporation;
22 (2) expands in the county or municipal corporation; or
23 (3) develops a new product or industrial process.

24 (b) A property tax credit under this section may be granted on up to 100% of
25 the county or municipal corporation property tax against the property described in
26 subsection (a) of this section.

1 (c) A property tax credit granted under this section may be granted for the
2 period of years from the date of completion of a new facility or expansion of a facility
3 that the Mayor and City Council of Baltimore City or the appropriate governing body
4 determines.

5 (d) The Mayor and City Council of Baltimore City or the appropriate
6 governing body may:

7 (1) adopt regulations necessary to carry out this section; and

8 (2) provide any other restriction or condition considered desirable.

9 (e) The Mayor and City Council of Baltimore City or each governing body shall
10 designate the administrative unit or official to administer the property tax credit
11 granted under this section.

12 (f) When a tax bill is sent to a taxpayer who may be eligible for a property tax
13 credit under this section, the Mayor and City Council of Baltimore City or the
14 appropriate governing body shall give notice of the property tax credit under this
15 section to the taxpayer.

16 (g) (1) A taxpayer must apply to receive a tax credit under this section.

17 (2) Except in Frederick County, if a taxpayer fails to apply for a property
18 tax credit under this section on or before October 1 of each taxable year, the property
19 tax credit may not be granted.

20 (3) In Frederick County, a taxpayer may apply for a property tax credit
21 under this section on or before October 1 of the taxable year, and the property tax
22 credit received shall continue from year to year until the property is conveyed.

23 (4) A taxpayer shall state under oath that the facts in the application are
24 true.

25 (h) Each governing body that grants a property tax credit under this section
26 shall submit to the Department a copy of the law granting the credit.

27 (I) TO THE EXTENT THAT PERSONAL PROPERTY IS GRANTED A TAX CREDIT
28 UNDER THIS SECTION, IT MAY NOT BE TREATED AS TAXABLE PERSONAL PROPERTY
29 FOR THE PURPOSE OF COMPUTING ANY PAYMENTS OF STATE AID TO EDUCATION
30 UNDER § 5-202 OF THE EDUCATION ARTICLE OR OTHER PAYMENTS OF STATE AID TO
31 COUNTIES OR MUNICIPAL CORPORATIONS THAT BY LAW ARE BASED ON THE
32 ASSESSMENT OF PROPERTY.

33 9-302.

34 (i) (1) The governing body of Allegany County may grant a county property
35 tax credit or exemption for machinery and equipment used in manufacturing,
36 assembling, processing, or refining products for sale or in the generation of electricity

1 and may define, fix, or limit the amount, terms, scope, and duration of any credit or
2 exemption provided for or affirmed under this subsection.

3 (2) TO THE EXTENT THAT PERSONAL PROPERTY IS GRANTED A TAX
4 CREDIT OR EXEMPTION UNDER THIS SUBSECTION, IT MAY NOT BE TREATED AS
5 TAXABLE PERSONAL PROPERTY FOR THE PURPOSE OF COMPUTING ANY PAYMENTS
6 OF STATE AID TO EDUCATION UNDER § 5-202 OF THE EDUCATION ARTICLE OR OTHER
7 PAYMENTS OF STATE AID TO COUNTIES OR MUNICIPAL CORPORATIONS THAT BY LAW
8 ARE BASED ON THE ASSESSMENT OF PROPERTY.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 June 1, 1999, and shall be applicable to the calculation of any payments of State aid
11 for the fiscal year that begins July 1, 1999, and for each subsequent fiscal year.