
By: **Delegate Marriott (Baltimore City Administration)**
Introduced and read first time: January 16, 2002
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - State Grants to Local Government for Tax Exempt Real**
3 **Property**

4 FOR the purpose of providing for certain State grants to counties and municipal
5 corporations in lieu of taxes for real property owned by nonprofit hospitals and
6 nonprofit educational institutions; specifying the amount of the State grants;
7 requiring the Director of the State Department of Assessments and Taxation to
8 certify to the State Comptroller by a certain date the assessed value of certain
9 real property in each county and municipal corporation and the amount of State
10 grants payable to each county and municipal corporation; requiring the State
11 Treasurer to pay certain State grants by a certain date on the warrant of the
12 State Comptroller; defining certain terms; providing for the application of this
13 Act; and generally relating to State grants to counties and municipal
14 corporations in lieu of taxes for real property owned by nonprofit hospitals and
15 nonprofit educational institutions.

16 BY adding to
17 Article - Tax - Property
18 Section 7-601 through 7-603 to be under the new subtitle "Subtitle 6. State
19 Grants to Local Government for Tax Exempt Real Property"
20 Annotated Code of Maryland
21 (2001 Replacement Volume and 2001 Supplement)

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

24 **Article - Tax - Property**

25 **SUBTITLE 6. STATE GRANTS TO LOCAL GOVERNMENT FOR TAX EXEMPT REAL**
26 **PROPERTY.**

27 7-601.

28 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
29 INDICATED.

1 (B) "EXEMPT REAL PROPERTY" MEANS REAL PROPERTY THAT IS OWNED BY A
2 NONPROFIT HOSPITAL OR NONPROFIT EDUCATIONAL INSTITUTION AND IS EXEMPT
3 FROM PROPERTY TAXATION UNDER § 7-202 OF THIS TITLE.

4 (C) "NONPROFIT HOSPITAL" MEANS A NONPROFIT HOSPITAL THAT OWNS
5 EXEMPT REAL PROPERTY.

6 (D) "NONPROFIT HIGHER EDUCATIONAL INSTITUTION" MEANS A NONPROFIT
7 PRIVATE COLLEGE, PRIVATE UNIVERSITY, OR PRIVATE INSTITUTION OF HIGHER
8 EDUCATION APPROVED BY THE MARYLAND HIGHER EDUCATION COMMISSION THAT
9 OWNS EXEMPT REAL PROPERTY.

10 7-602.

11 (A) FOR EACH FISCAL YEAR, THERE IS GRANTED OUT OF THE GENERAL FUND
12 OF THE STATE TO EACH COUNTY OR MUNICIPAL CORPORATION A STATE GRANT IN
13 LIEU OF TAXES FOR EXEMPT REAL PROPERTY OWNED BY NONPROFIT HOSPITALS
14 AND NONPROFIT HIGHER EDUCATIONAL INSTITUTIONS AND LOCATED IN THE
15 COUNTY OR MUNICIPAL CORPORATION AS PROVIDED IN THIS SUBTITLE.

16 (B) THE STATE GRANT REQUIRED IN SUBSECTION (A) OF THIS SECTION SHALL
17 BE IN AN AMOUNT EQUAL TO 77% OF THE COUNTY OR MUNICIPAL CORPORATION
18 PROPERTY TAX THAT, BUT FOR THE EXEMPTION UNDER § 7-202 OF THIS TITLE,
19 WOULD HAVE BEEN IMPOSED ON EXEMPT REAL PROPERTY FOR THE TAXABLE YEAR
20 PRECEDING THE FISCAL YEAR.

21 7-603.

22 (A) ON OR BEFORE MAY 1 OF EACH YEAR, THE DIRECTOR OF THE STATE
23 DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL CERTIFY TO THE STATE
24 COMPTROLLER THE:

25 (1) ASSESSED VALUE OF THE EXEMPT REAL PROPERTY IN EACH
26 COUNTY AND MUNICIPAL CORPORATION IN THE STATE; AND

27 (2) AMOUNT OF STATE GRANT PAYABLE TO EACH COUNTY AND
28 MUNICIPAL CORPORATION.

29 (B) PAYMENT OF THE STATE GRANTS UNDER THIS SUBTITLE SHALL BE MADE
30 ON OR BEFORE JULY 1 OF EACH YEAR BY THE STATE TREASURER ON WARRANTS OF
31 THE STATE COMPTROLLER, BASED ON THE CERTIFICATIONS OF THE DEPARTMENT
32 OF ASSESSMENTS AND TAXATION.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 July 1, 2002 and shall be applicable to all fiscal years beginning on or after July 1,
35 2003.