
By: **Chairman, Ways and Means Committee (By Request - Departmental - Assessments and Taxation)**

Introduced and read first time: January 24, 2005

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 8, 2005

CHAPTER _____

1 AN ACT concerning

2 **Property Tax - Exemptions - Property on Military Installations**

3 FOR the purpose of exempting from property taxation an interest of a person in
4 certain property owned by the federal government or the State and used for
5 national defense purposes or to house military personnel and their dependents;
6 exempting from property taxation certain property on a military installation
7 ~~and that the federal government holds a certain interest in that is~~ used for
8 national defense or military housing purposes; providing for the application of
9 this Act; and generally relating to property tax exemptions for interests in
10 government owned properties.

11 BY repealing and reenacting, with amendments,
12 Article - Tax - Property
13 Section 7-211(a)
14 Annotated Code of Maryland
15 (2001 Replacement Volume and 2004 Supplement)

16 BY adding to
17 Article - Tax - Property
18 Section 7-211.2
19 Annotated Code of Maryland
20 (2001 Replacement Volume and 2004 Supplement)

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

1

Article - Tax - Property

2 7-211.

3 (A) (1) IN THIS SUBSECTION, "NATIONAL DEFENSE" INCLUDES HOMELAND
4 SECURITY.

5 [(a)] (2) An interest of a person in personal property of the federal
6 government or of the State is not subject to property tax if the person holds an
7 interest in the property under a contract with the federal government or the State for:

8 [(1)] (I) manufacturing, constructing, or assembling equipment,
9 supplies, or component parts for national defense purposes; or

10 [(2)] (II) research or development for national defense purposes.

11 (3) AN INTEREST OF A PERSON IN PERSONAL PROPERTY OR REAL
12 PROPERTY OF THE FEDERAL GOVERNMENT OR OF THE STATE IS NOT SUBJECT TO
13 PROPERTY TAX IF THAT PROPERTY:

14 (I) IS SITUATED ON LAND THAT IS OWNED BY THE FEDERAL
15 GOVERNMENT AND LOCATED WITHIN THE DEFINED BOUNDARIES OF A MILITARY
16 INSTALLATION; AND

17 (II) IS USED FOR NATIONAL DEFENSE PURPOSES OR FOR HOUSING
18 FOR MILITARY PERSONNEL AND THEIR FAMILIES.

19 7-211.2.

20 (A) IN THIS SECTION, "NATIONAL DEFENSE" INCLUDES HOMELAND SECURITY.

21 (B) PERSONAL PROPERTY OR REAL PROPERTY IS NOT SUBJECT TO PROPERTY
22 TAX IF ~~THAT THE FEDERAL GOVERNMENT HOLDS AT LEAST A 50% INTEREST IN THE~~
23 PROPERTY, OR THE ENTITY THAT OWNS THE PROPERTY, AND THE PROPERTY:

24 (1) IS SITUATED ON LAND THAT IS OWNED BY THE FEDERAL
25 GOVERNMENT AND LOCATED WITHIN THE DEFINED BOUNDARIES OF A MILITARY
26 INSTALLATION; AND

27 (2) IS USED FOR NATIONAL DEFENSE PURPOSES OR FOR HOUSING FOR
28 MILITARY PERSONNEL AND THEIR FAMILIES.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
30 effect June 1, 2005, and shall be applicable ~~for all tax~~ to all taxable years beginning
31 after June 30, 2005.

