

HOUSE BILL 469

Q1

8lr2243
CF 8lr2242

By: **Delegate Love**

Introduced and read first time: January 30, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **County Property Tax - Interest in Federal Government Property - Payment**
3 **in Lieu of Taxes**

4 FOR the purpose of providing that certain interests in property of the federal
5 government are subject to county property tax and development impact fees
6 under certain circumstances; authorizing a county to enter into a negotiated
7 agreement for payment in lieu of taxes with certain persons under certain
8 circumstances; requiring an agreement for a negotiated payment in lieu of taxes
9 to include the amount to be paid to the county each year and that certain
10 property is to be exempt from county property tax and development impact fees;
11 providing an exemption from county property tax under certain circumstances;
12 requiring all payments made to a county under certain agreements for
13 payments in lieu of taxes to be used only for certain purposes; providing for the
14 application of this Act; and generally relating to county property tax on
15 interests in federal government property.

16 BY repealing and reenacting, with amendments,
17 Article - Tax - Property
18 Section 7-211(a) and 7-211.2
19 Annotated Code of Maryland
20 (2007 Replacement Volume)

21 BY adding to
22 Article - Tax - Property
23 Section 7-516
24 Annotated Code of Maryland
25 (2007 Replacement Volume)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Tax – Property**

2 7–211.

3 (a) (1) In this subsection, “national defense” includes homeland security.

4 (2) **[An] EXCEPT AS OTHERWISE PROVIDED IN § 7–516 OF THIS**
5 **TITLE, AN** interest of a person in personal property of the federal government or of the
6 State is not subject to property tax if the person holds an interest in the property
7 under a contract with the federal government or the State for:8 (i) manufacturing, constructing, or assembling equipment,
9 supplies, or component parts for national defense purposes; or

10 (ii) research or development for national defense purposes.

11 (3) **[An] EXCEPT AS OTHERWISE PROVIDED IN § 7–516 OF THIS**
12 **TITLE, AN** interest of a person in personal property or real property of the federal
13 government or of the State is not subject to property tax if that property:14 (i) is situated on land that is owned by the federal government
15 and located within the defined boundaries of a military installation; and16 (ii) is used for national defense purposes or for housing for
17 military personnel and their families.

18 7–211.2.

19 (a) In this section, “national defense” includes homeland security.

20 (b) **[Personal] EXCEPT AS OTHERWISE PROVIDED IN § 7–516 OF THIS**
21 **TITLE, PERSONAL** property or real property is not subject to property tax if the
22 federal government holds at least a 50% interest in the property, or the entity that
23 owns the property, and the property:24 (1) is situated on land that is owned by the federal government and
25 located within the defined boundaries of a military installation; and26 (2) is used for national defense purposes or for housing for military
27 personnel and their families.28 **7–516.**29 **(A) NOTWITHSTANDING §§ 7–211(A) AND 7–211.2 OF THIS TITLE, AN**
30 **INTEREST OF A PERSON IN PROPERTY OF THE FEDERAL GOVERNMENT HELD IN**
31 **ACCORDANCE WITH A LEASE EXECUTED UNDER THE AUTHORITY OF 10 U.S.C. §**
32 **2667 THAT IS LOCATED OR LOCATES IN A COUNTY IS SUBJECT TO COUNTY REAL**

1 AND PERSONAL PROPERTY TAX AND ANY DEVELOPMENT IMPACT FEES IMPOSED
2 BY THE COUNTY.

3 (B) (1) THE GOVERNING BODY OF A COUNTY MAY ENTER INTO AN
4 AGREEMENT WITH A PERSON WHO HOLDS AN INTEREST IN PROPERTY OF THE
5 FEDERAL GOVERNMENT HELD IN ACCORDANCE WITH A LEASE EXECUTED
6 UNDER THE AUTHORITY OF 10 U.S.C. § 2667 THAT IS LOCATED OR LOCATES IN
7 THE COUNTY FOR A NEGOTIATED PAYMENT IN LIEU OF COUNTY REAL AND
8 PERSONAL PROPERTY TAX AND ANY DEVELOPMENT IMPACT FEES IMPOSED BY
9 THE COUNTY.

10 (2) AN AGREEMENT FOR A NEGOTIATED PAYMENT IN LIEU OF
11 TAXES UNDER THIS SECTION SHALL PROVIDE THAT, FOR THE TERM SPECIFIED
12 IN THE AGREEMENT:

13 (I) THE PERSON SHALL PAY TO THE COUNTY A SPECIFIED
14 AMOUNT EACH YEAR IN LIEU OF THE PAYMENT OF COUNTY REAL AND
15 PERSONAL PROPERTY TAX AND ANY DEVELOPMENT IMPACT FEES IMPOSED BY
16 THE COUNTY; AND

17 (II) ALL OR A SPECIFIED PART OF THE REAL AND PERSONAL
18 PROPERTY REFERRED TO IN THE AGREEMENT SHALL BE EXEMPT FROM COUNTY
19 REAL AND PERSONAL PROPERTY TAX AND ANY DEVELOPMENT IMPACT FEES
20 IMPOSED BY THE COUNTY FOR THE TERM OF THE AGREEMENT.

21 (C) AS SPECIFIED IN THE AGREEMENT FOR A NEGOTIATED PAYMENT IN
22 LIEU OF TAXES UNDER THIS SECTION, FOR THE TERM SPECIFIED IN THE
23 AGREEMENT, THE REAL AND PERSONAL PROPERTY REFERRED TO IN THE
24 AGREEMENT THAT IS LOCATED OR LOCATES IN THE COUNTY IS EXEMPT FROM
25 COUNTY PROPERTY TAX.

26 (D) ALL PAYMENTS MADE TO A COUNTY IN ACCORDANCE WITH AN
27 AGREEMENT UNDER THIS SECTION SHALL BE USED FOR PUBLIC SAFETY
28 OPERATIONS OR THE OPERATION, CONSTRUCTION, RENOVATION, OR
29 IMPROVEMENT OF ROADS, BRIDGES, HIGHWAYS, OR EDUCATIONAL FACILITIES
30 WITHIN 5 MILES OF THE BOUNDARIES OF THE PROPERTY THAT IS THE SUBJECT
31 OF THE AGREEMENT.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 June 1, 2008, and shall be applicable to all taxable years beginning after June 30,
34 2008.