

# SENATE BILL 294

Q4

(PRE-FILED)

11r0653  
CF HB 582

---

By: **Senators Gallion, Hershey, and Peters**

Requested: September 17, 2020

Introduced and read first time: January 13, 2021

Assigned to: Budget and Taxation

---

Committee Report: Favorable

Senate action: Adopted with floor amendments

Read second time: February 10, 2021

---

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2                   **Cecil County – Sales and Use Tax Exemption – Federal Facilities**  
3                   **Redevelopment Areas**

4 FOR the purpose of providing an exemption from the sales and use tax for certain  
5 construction material or warehousing equipment purchased for use in a certain  
6 federal facilities redevelopment area in Cecil County under certain circumstances;  
7 requiring a buyer claiming the exemption to provide certain evidence to a vendor;  
8 defining certain terms; providing for the termination of this Act; and generally  
9 relating to the sales and use tax.

10 BY adding to  
11       Article – Tax – General  
12       Section 11–241  
13       Annotated Code of Maryland  
14       (2016 Replacement Volume and 2020 Supplement)

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

17   **Article – Tax – General**

18 **11–241.**

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1           (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
2 INDICATED.

3                   (2) (I) “CONSTRUCTION MATERIAL” MEANS AN ITEM OF TANGIBLE  
4 PERSONAL PROPERTY THAT:

5                               1. IS USED TO CONSTRUCT OR RENOVATE:

6                                   A. A BUILDING;

7                                   B. A STRUCTURE;

8                                   C. AN IMPROVEMENT ON LAND; OR

9                                   D. INFRASTRUCTURE, INCLUDING WATER, SEWER, AND  
10 OTHER UTILITY SYSTEMS; AND

11                               2. TYPICALLY LOSES ITS SEPARATE IDENTITY AS  
12 PERSONAL PROPERTY ONCE INCORPORATED INTO THE REAL PROPERTY.

13                               (II) “CONSTRUCTION MATERIAL” INCLUDES BUILDING  
14 MATERIALS, BUILDING SYSTEMS EQUIPMENT, LANDSCAPING MATERIALS, AND  
15 SUPPLIES.

16                   (3) “FEDERAL FACILITIES REDEVELOPMENT AREA” MEANS ANY REAL  
17 PROPERTY IN CECIL COUNTY THAT:

18                               (I) WAS PREVIOUSLY OWNED AT ANY TIME BY THE FEDERAL  
19 GOVERNMENT; ~~AND~~

20                               (II) ~~WAS, AS OF JUNE 1, 2019, THE SUBJECT OF AN APPROVED~~  
21 ~~APPLICATION FOR PARTICIPATION IN~~ WAS TRANSFERRED FROM THE FEDERAL  
22 GOVERNMENT TO THE STATE OR TO AN ENTITY ESTABLISHED UNDER TITLE 11,  
23 SUBTITLE 4 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND

24                               (III) IS ENTIRELY UNDER THE ENVIRONMENTAL OVERSIGHT AND  
25 MANAGEMENT OF:

26                                   1. THE STATE HAZARDOUS SUBSTANCE RESPONSE  
27 PLAN UNDER TITLE 7, SUBTITLE 2 OF THE ENVIRONMENT ARTICLE; OR

28                                   2. THE VOLUNTARY CLEANUP PROGRAM UNDER TITLE  
29 7, SUBTITLE 5 OF THE ENVIRONMENT ARTICLE.

1           **(4) “WAREHOUSING EQUIPMENT” MEANS EQUIPMENT USED FOR**  
2 **MATERIAL HANDLING AND STORAGE, INCLUDING RACKING SYSTEMS, CONVEYING**  
3 **SYSTEMS, AND COMPUTER SYSTEMS AND EQUIPMENT.**

4           **(B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF CONSTRUCTION**  
5 **MATERIAL OR WAREHOUSING EQUIPMENT IF:**

6           **(1) THE MATERIAL OR EQUIPMENT IS PURCHASED BY A PERSON**  
7 **SOLELY FOR USE IN A FEDERAL FACILITIES REDEVELOPMENT AREA; AND**

8           **(2) THE BUYER PROVIDES THE VENDOR WITH EVIDENCE OF**  
9 **ELIGIBILITY FOR THE EXEMPTION ISSUED BY THE COMPTROLLER.**

10           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
11 1, 2021. It shall remain effective for a period of 10 years and, at the end of June 30, 2031,  
12 this Act, with no further action required by the General Assembly, shall be abrogated and  
13 of no further force and effect.

Approved:

---

Governor.

---

President of the Senate.

---

Speaker of the House of Delegates.