



Senate Bill 673

Property Tax – Public Land and Public Use - Exemption

MACo Position: **SUPPORT**
WITH AMENDMENTS

Date: March 9, 2016

To: Budget and Taxation Committee

From: Andrea E. Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS SB 673 WITH AMENDMENTS**. As introduced, this bill would exempt from the property tax property located on governmental lands that is used for a public purpose. MACo understands that amendments are being offered to narrow the scope of the bill to apply only to the personal property tax in limited situations. MACo would support the bill with these amendments as long as they reflect discussions that have taken place between the Maryland Port Administration, Baltimore City and County, and Ports America Chesapeake.

Ports America Chesapeake owns several cranes and other personal property subject to local personal property taxes. Concerns were expressed by the budget committees last year that the assessment of the personal property tax on Ports America Chesapeake could put Maryland at a disadvantage with other ports.

To protect local jurisdictions from lost revenue, estimated to be \$2.2 million annually, the budget committees urged the Maryland Port Administration to meet with local representatives and Ports America Chesapeake to develop an agreeable fiscal arrangement. MACo believes this bill is intended to codify that fiscal arrangement. However, as introduced, it is extremely broad.

MACo would support the bill with amendments to limit the scope of the bill to reflect the arrangement agreed upon with affected local governments, and other similar fiscal arrangements in the future. Accordingly, MACo would urge the Committee to vote SB 673 **FAVORABLE WITH AMENDMENTS** to appropriately narrow the scope of the bill.