

HOUSE BILL 215

Q1, C1

7lr1117

By: **Delegate Luedtke**

Introduced and read first time: January 20, 2017

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **County Revenues – Business Fees and Personal Property Tax Exemption**

3 FOR the purpose of authorizing the governing body of a county to impose a certain fee on
4 business entities that own real or personal property in the county; requiring the
5 Department of Assessments and Taxation to collect and remit the fee revenue to the
6 counties; prohibiting the fee from exceeding certain amounts; requiring a county
7 governing body that imposes a fee to notify the Department on or before a certain
8 date; exempting certain personal property from the property tax imposed by a
9 county; providing that certain personal property remains subject to county property
10 tax; providing that the persons who are exempt from personal property tax are not
11 required to submit a certain report on personal property; requiring the Department
12 to identify certain provisions of law that are rendered inaccurate or obsolete by this
13 Act and submit a certain report to the General Assembly; providing for the
14 application of this Act; and generally relating to business fees and the personal
15 property tax.

16 BY repealing and reenacting, without amendments,
17 Article – Corporations and Associations
18 Section 1–203(b)(3)(ii) and (b)(14)
19 Annotated Code of Maryland
20 (2014 Replacement Volume and 2016 Supplement)

21 BY adding to
22 Article – Corporations and Associations
23 Section 1–203(b)(15)
24 Annotated Code of Maryland
25 (2014 Replacement Volume and 2016 Supplement)

26 BY adding to
27 Article – Tax – Property
28 Section 7–402

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 11–101(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2016 Supplement)

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

Article – Corporations and Associations

1–203.

(b) (3) (ii) Except as provided in paragraph (14) of this subsection, for each
of the following documents which are filed but not recorded, the filing fee is as indicated:

Annual report of a Maryland corporation, except a charitable or benevolent institution, nonstock corporation, savings and loan corporation, credit union, family farm, and banking institution.....	\$300
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Annual report of a foreign corporation subject to the jurisdiction of this State, except a national banking association, savings and loan association, credit union, nonstock corporation, and charitable and benevolent institution.....	\$300
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Annual report of a Maryland savings and loan association, banking institution, or credit union or of a foreign savings and loan association, national banking association, or credit union that is subject to the jurisdiction of this State	\$300
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Annual report of a Maryland limited liability company, limited liability partnership, limited partnership, or of a foreign limited liability company, foreign limited liability partnership, or foreign limited partnership, except a family farm.....	\$300
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Annual report of a business trust.....	\$300
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Annual report of a real estate investment trust or foreign statutory trust doing business in this State	\$300
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Annual report of a family farm.....	\$100
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(14) The Department shall waive the filing fee for a business entity described under paragraph (3)(ii) of this subsection for each year that the entity provides evidence to the Department that:

(i) The entity is required to comply with and is in compliance with Title 12 of the Labor and Employment Article; or

(ii) The entity otherwise provides an automatic enrollment payroll deduction individual retirement account or individual retirement annuity under 26 U.S.C. § 408(a) or (b) or an employer-offered savings arrangement that is in compliance with federal law.

(15) (I) THE GOVERNING BODY OF A COUNTY MAY IMPOSE, BY LAW, AN ANNUAL FEE ON A BUSINESS ENTITY DESCRIBED UNDER PARAGRAPH (3)(II) OF THIS SUBSECTION THAT OWNS REAL OR PERSONAL PROPERTY IN THE COUNTY.

(II) THE FEE SHALL BE IN ADDITION TO THE FILING FEE REQUIRED UNDER PARAGRAPH (3)(II) OF THIS SUBSECTION.

(III) THE DEPARTMENT SHALL:

1. COLLECT THE FEE AT THE SAME TIME AND IN THE SAME MANNER AS THE FILING FEE REQUIRED UNDER PARAGRAPH (3)(II) OF THIS SUBSECTION; AND

2. PROMPTLY REMIT THE FEE REVENUE TO THE APPROPRIATE COUNTY.

(IV) THE AMOUNT OF THE FEE SHALL BE DETERMINED BY THE COUNTY GOVERNING BODY BUT MAY NOT EXCEED:

1. \$25 FOR A BUSINESS ENTITY WITH 15 OR FEWER EMPLOYEES;

2. \$50 FOR A BUSINESS ENTITY WITH MORE THAN 15 BUT FEWER THAN 51 EMPLOYEES; AND

3. \$100 FOR A BUSINESS ENTITY WITH 51 OR MORE EMPLOYEES.

(V) A COUNTY GOVERNING BODY THAT IMPOSES A FEE UNDER THIS PARAGRAPH SHALL NOTIFY THE DEPARTMENT OF THE FEE AMOUNT ON OR BEFORE JULY 1 OF THE YEAR PRECEDING THE YEAR IN WHICH THE FEE WILL BE COLLECTED.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – Property

7-402.

(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, PERSONAL PROPERTY IS NOT SUBJECT TO COUNTY PROPERTY TAX.

(B) THE FOLLOWING PERSONAL PROPERTY IS SUBJECT TO COUNTY PROPERTY TAX:

(1) OPERATING PERSONAL PROPERTY OF A RAILROAD OR A PUBLIC UTILITY; AND

(2) PROPERTY USED TO PROVIDE A CABLE TELEVISION, DATA, OR TELECOMMUNICATIONS SERVICE, INCLUDING:

(I) ALL FIBER-OPTIC AND OTHER CABLE WIRE SYSTEMS;

(II) CELLULAR TELEPHONE TOWERS; AND

(III) WIRELESS APPURTENANCES ATTACHED TO OR INSTALLED ON CELLULAR TELEPHONE TOWERS.

11-101.

(a) On or before April 15 of each year, a person shall submit a report on personal property to the Department if **THE PERSON IS NOT EXEMPT FROM PERSONAL PROPERTY TAX UNDER § 7-402 OF THIS ARTICLE AND:**

(1) the person is a business trust, statutory trust, domestic corporation, limited liability company, limited liability partnership, or limited partnership;

(2) the person is a foreign corporation, foreign statutory trust, foreign limited liability company, foreign limited liability partnership, or foreign limited partnership registered or qualified to do business in the State; or

(3) the person owns or during the preceding calendar year owned property that is subject to property tax.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 1, 2017, the Department of Assessments and Taxation shall identify provisions of the

1 Annotated Code of Maryland or the Code of Public Local Laws that are rendered inaccurate
2 or obsolete as a result of Section 2 of this Act and, in accordance with § 2-1246 of the State
3 Government Article, shall submit a report to the General Assembly on its findings with
4 recommendations for any amendments to the Annotated Code of Maryland or the Code of
5 Public Local Laws.

6 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
7 effect July 1, 2017, and shall be applicable to all taxable years beginning after December
8 31, 2017.

9 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section
10 4 of this Act, this Act shall take effect June 1, 2017.