

HOUSE BILL 582

Q4

11r0926
CF SB 294

By: **Cecil County Delegation**

Introduced and read first time: January 20, 2021

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 22, 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.**

19 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
20 **INDICATED.**

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

3 1. IS USED TO CONSTRUCT OR RENOVATE:

4 A. A BUILDING;

5 B. A STRUCTURE;

6 C. AN IMPROVEMENT ON LAND; OR

7 D. INFRASTRUCTURE, INCLUDING WATER, SEWER, AND
8 OTHER UTILITY SYSTEMS; AND

9 2. TYPICALLY LOSES ITS SEPARATE IDENTITY AS
10 PERSONAL PROPERTY ONCE INCORPORATED INTO THE REAL PROPERTY.

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

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

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

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

22 (III) IS ENTIRELY UNDER THE ENVIRONMENTAL OVERSIGHT AND
23 MANAGEMENT OF:

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

26 2. THE VOLUNTARY CLEANUP PROGRAM UNDER TITLE
27 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.

Speaker of the House of Delegates.

President of the Senate.