

ORDINANCE NO. ORD-2018-28

**AN ORDINANCE TO EXEMPT LEASED PROPERTY
FROM COUNTY REAL PROPERTY TAXES**

RECITALS

The Board of County Commissioners of Washington County, Maryland (the "County") has entered into a land lease (the "Lease") with RJC Hangar 17A, LLC (the "Tenant") relating to certain real property located at the Hagerstown Regional Airport (the "Airport").

A building (Building #17A) and other improvements (collectively, the "Improvements") will be constructed by the Tenant on the property at the Airport. These Improvements will be constructed at no cost to the County and the construction of these Improvements will allow for services that will facilitate other development at the Airport including jobs and income tax to the County.

The County desires to continue its commitment and facilitate the economic incentives previously in place to promote additional business attraction, expansion, and retention at the Airport. This business attraction and expansion encourages private construction at the Airport at no cost to the County including the construction of the Improvements by the Tenant will provide expanded services to Airport businesses and clients.

A lease has been approved by the County and executed by the parties. Pursuant to the terms of the Lease, the parties have agreed that the Improvements will be considered fixtures and are the property of the County.

The County has determined that pursuant to the Annotated Code of Maryland, Tax-Property Article, Section 7-501(a), the County has the authority to grant an exemption from real property taxes as follows:

- (a) The governing body of...Washington County...may authorize, by law, an exemption from county...property tax for the property that is described in § 6-102(e) of this article.

The County portion of the property tax is approximately 90% while the remaining 10% represents the State portion of the tax that cannot be exempted by the County. As referenced above, the County has the authority under Maryland law to exempt tenants from the County portion of the real property tax. Economically, this would simply be a continuation of the status quo that has been maintained for years.

THEREFORE, BE IT ORDAINED that the Board of County Commissioners of Washington County, Maryland, pursuant to Section 7-501 (a) of the Tax-Property Article of the Annotated Code of Maryland, hereby exempts the property associated with the Lease from County property tax through the Primary Term of the Lease or until the earlier termination of the Lease as provided for in the Lease, as may be amended from time to time.

ADOPTED and effective this 16th day of October, 2018.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND

Krista L. Hart
Krista L. Hart, Clerk

BY: Terry L. Baker
Terry L. Baker, President

Approved as to legal sufficiency:

John M. Martirano
John M. Martirano
County Attorney

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