

2. A COMPANY LICENSED UNDER THE FEDERAL SMALL BUSINESS INVESTMENT ACT OF 1958;

3. A CORPORATION THAT ELECTS TO BE TAXED AS A SMALL BUSINESS CORPORATION UNDER SUBCHAPTER S OF THE INTERNAL REVENUE CODE;

4. AN ENTITY THAT IS A REAL ESTATE MORTGAGE INVESTMENT CONDUIT AS DEFINED IN THE INTERNAL REVENUE CODE;

5. A LIMITED LIABILITY COMPANY; OR

6. A COMMERCIAL BANK, SAVINGS BANK, TRUST COMPANY, OR COMPANY THAT SUBSTANTIALLY COMPETES WITH NATIONAL BANKS IN THE STATE.

(3) "FINANCIAL INSTITUTION HOLDING COMPANY" MEANS A FINANCIAL INSTITUTION WHOSE ONLY ACTIVITIES ARE:

(I) THE MAINTENANCE AND MANAGEMENT OF INTANGIBLE INVESTMENTS; AND

(II) THE COLLECTION AND DISTRIBUTION OF INCOME FROM INTANGIBLE INVESTMENTS.

(B) NOTWITHSTANDING § 10-402 OF THIS SUBTITLE, INTEREST RECEIVED BY A FINANCIAL INSTITUTION HOLDING COMPANY FROM ONE OF ITS SUBSIDIARY CORPORATIONS THAT IS A FINANCIAL INSTITUTION SHALL BE ALLOCATED TO THIS STATE ONLY TO THE EXTENT THAT THE INTEREST IS DERIVED FROM THE TRADE OR BUSINESS OF THE SUBSIDIARY CORPORATION WITHIN THIS STATE.

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

Article - Tax - Property

7-221.

(a) Personal property is not subject to valuation or to property tax, if the personal property is owned by [an institution that is subject to the]:

(1) A financial institution AS DEFINED IN § 8-101(C) [franchise tax under Title 8, Subtitle 2] of the Tax - General Article OTHER THAN A SAVINGS AND LOAN ASSOCIATION AS DEFINED IN § 7-221.1 OF THIS SUBTITLE; OR

(2) A FEDERAL OR STATE CHARTERED CREDIT UNION ORGANIZED FOR RECEIVING DEPOSITS OF MONEY AND PAYING INTEREST OR DIVIDENDS ON THE MONEY, IF THE CREDIT UNION DOES NOT HAVE CAPITAL STOCK.

(b) This exemption does not include any personal property that is leased, loaned, or made available by the institution for the use of a person whose business is not that of the institution.