



[Billing Code: 4710-35]
DEPARTMENT OF STATE
[Public Notice 8597]
No. FMA-2014-1

Designation and Determination under the Foreign Missions Act

Pursuant to the authority vested in the Secretary of State by the laws of the United States, including the Foreign Missions Act (codified at 22 U.S.C. §§ 4301-4316) (hereinafter “the Act”), and delegated by the Secretary to me as the Under Secretary of State for Management in Delegation of Authority No. 198, dated September 16, 1992, and after due consideration of the benefits, privileges, and immunities provided to missions of the United States abroad, as well as matters related to the protection of the interests of the United States, I hereby designate as a benefit for purposes of the Act: exemption from taxes associated with the purchase, ownership, and disposition of real property, other than such as represent payment for specific services rendered (hereinafter collectively referred to as “real estate taxes”)—including, but not limited to, annual property tax, recordation tax, transfer tax, and the functional equivalent of deed registration charges and stamp duties—by a foreign mission on the basis of the property’s authorized use for diplomatic or consular purposes or by an international organization on the basis of the property’s authorized use for the official business of the organization.

Exemption from real estate taxes on the basis of a property’s authorized use for diplomatic or consular purposes or for the official business of an international organization is available to a foreign mission or international organization only with respect to property authorized by the Department of State’s Office of Foreign Missions (OFM) for use as:

1. the premises of a bilateral diplomatic mission or consular post, headed by a career consular officer, that is owned by the respective foreign government or the head of the mission or consular post;
2. the premises of a consular post, headed by an honorary consular officer, that is owned by the respective foreign government;
3. the primary residence of the head of a bilateral diplomatic mission or a career head of a consular post, that is owned by the respective foreign government or the head of the mission or consular post;

4. the primary residence of a member or members of the staff of a bilateral diplomatic mission or career consular post, that is owned by the respective foreign government;
5. the premises of the Organization of American States (OAS) or the United Nations (UN), that is owned by the respective organization;
6. the primary residence of the head (Secretary General) of the OAS Secretariat or the UN Secretariat, that is owned by the respective organization;
7. the primary residence of a member or members of the staff of the OAS or the UN, that is owned by the respective organization;
8. the premises of a permanent mission to the OAS or the UN, that is owned by the respective foreign government;
9. the primary residence of a principal representative or resident representative of a permanent mission to the OAS or the UN with a rank of ambassador or minister plenipotentiary, that is owned by the respective foreign government;
10. the primary residence of a member or members of the staff of a permanent mission to the OAS or the UN, that is owned by the respective foreign government;
11. the premises of an observer mission to the OAS or the UN of a state recognized by the United States, that is owned by the respective foreign government;
12. the primary residence of a principal representative or resident representative of an observer mission to the OAS or the UN of a state recognized by the United States with a rank of ambassador or minister plenipotentiary, that is owned by the respective foreign government;
13. the primary residence of a member or members of the staff of an observer mission to the OAS or the UN of a state recognized by the United States, that is owned by the respective foreign government;
14. the premises of an international organization designated under the International Organization Immunities Act (IOIA), other than the OAS or UN, that is owned by the respective organization and is located in the District of Columbia;
15. the primary residence of the head of an international organization designated under the IOIA, other than the OAS or UN, that is owned by the respective organization and is located in the District of Columbia;
16. the primary residence of a member or members of the staff of an international organization designated under the IOIA, other than the OAS or UN, that is owned by the respective organization and is located in the District of Columbia;

17. a residence used for temporarily lodging representatives or employees of a government of a state recognized by the United States, who visit the United States for bilateral or multilateral diplomatic or consular purposes, that is owned by the respective foreign government; or
18. another category of property authorized by OFM.

Property that is owned by a foreign government or international organization for the purpose of constructing or renovating facilities and that OFM has authorized for use for any of the purposes described above is eligible for an exemption from real estate taxes, provided that OFM authorized the acquisition of such property.

I similarly designate as a benefit for purposes of the Act an exemption from real estate taxes on mission premises and residences described above that are in the custody or control of the United States pursuant to 22 U.S.C. § 4305(c).

I determine that exemption from real estate taxes on the basis of a property's authorized use for diplomatic or consular purposes or for the official business of an international organization shall be provided on such terms and conditions as OFM may approve. The manner in which such benefits shall be extended by states, counties, municipalities, and territories shall also be subject to such terms and conditions as OFM may approve.

Following are the current terms and conditions governing the provision of exemptions from real estate taxes to foreign missions and international organizations on the basis of a property's authorized use for diplomatic or consular purposes or for the official business of an international organization:

- The determination of a foreign mission or international organization's entitlement to an exemption from real estate taxes associated with a property of a type described above, on the basis of the property's authorized use for diplomatic or consular purposes, or for the official business of an international organization, is committed to the sole discretion of the Department of State. Such determinations are communicated by letter from OFM to the relevant state, county, municipal or territorial revenue authorities.
- All such letters will be signed by the Director of OFM's Office of Diplomatic Property, Tax, Services and Benefits (OFM/PTSB), or a successor office.

- Such letters serve as official notice to the relevant state, county, municipality, or territory that the described property or transaction is or is not entitled to an exemption from real estate taxes on the basis of the property's authorized use for diplomatic or consular purposes or for the official business of an international organization.
- States, counties, municipalities, and territories are prohibited from extending to a foreign mission or international organization an exemption from real estate taxes associated with a property on the basis of the property's authorized use for diplomatic or consular purposes or for the official business of the international organization, except on the basis of written authorization from OFM.
- Conversely, on the basis of a letter as described above, states, counties, municipalities, and territories are required to extend to a foreign mission or international organization an exemption from real estate taxes to which OFM determines a foreign mission or international organization is entitled. If a state, county, municipality or territory has concerns regarding the extension of such exemption benefits, it should raise the matter directly with OFM.
- Unless otherwise determined by OFM, the effective date of OFM's authorization of an exemption from real estate taxes is the date the property deed in question is signed or transferred.
- States, counties, municipalities, and territories may establish additional procedures to ensure the proper extension of such exemption benefits, provided that:
 - such procedures, including the establishment and use of any forms, serve only to facilitate the state, county, municipality, or territory's extension of exemption benefits to a foreign mission or international organization and not as a means to determine the foreign mission's or international organization's entitlement to the exemption benefit associated with a property on the basis of the property's authorized use for diplomatic or consular purposes or for the official business of the international organization, which determination is committed to the sole discretion of the Department of State; and

- the state, county, municipality, or territory obtain written approval from the Director of OFM/PTSB confirming that the proposed procedural requirements do not violate or infringe on any benefits, privileges, or immunities enjoyed by foreign missions or international organizations.

Finally, I further determine that any state or local laws to the contrary are hereby preempted.

The exemption from real estate taxes provided by this designation and determination shall apply to taxes that have been or will be assessed against any foreign mission or international organization with respect to property subject to this determination and shall nullify any existing tax liens with respect to any covered property. This determination shall not require the refund of any taxes previously paid by any foreign mission or international organization regarding such property. These actions are not exclusive and are independent of alternative legal grounds that support the tax exemption afforded herein.

The actions taken in this Designation and Determination are necessary to facilitate relations between the United States and foreign states, protect the interests of the United States, adjust for costs and procedures of obtaining benefits for missions of the United States abroad, and carry out the policy set forth in 22 U.S.C. § 4301(b).

This action supersedes the Designation and Determination under the Foreign Missions Act made by the Deputy Secretary of State for Management and Resources on June 23, 2009.

January 8, 2014

Patrick F. Kennedy
Under Secretary for Management

Date

[FR Doc. 2014-00735 Filed 01/15/2014 at 8:45 am; Publication Date:
01/16/2014]