
By: **Delegates V. Clagett and Jennings**
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CHAPTER 379

1 AN ACT concerning

2 **Property Tax and Transfer and Recordation Taxes - Land Trusts - Credits**
3 **and Exemptions**

4 FOR the purpose of altering certain requirements for certain conservation land to
5 qualify for a certain tax credit against the State and local property tax; altering
6 certain requirements for exemptions from recordation and transfer taxes for
7 instruments of writing conveying certain interests in property to certain land
8 trusts under certain circumstances; and generally relating to conservation
9 property owned by land trusts and the transfer of conservation easements and
10 fee simple interests to land trusts.

11 BY repealing and reenacting, with amendments,
12 Article - Tax - Property
13 Section 9-107, 9-220, and 12-108(cc)
14 Annotated Code of Maryland
15 (2001 Replacement Volume and 2003 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article - Tax - Property
18 Section 13-207(a)(21) and 13-410
19 Annotated Code of Maryland
20 (2001 Replacement Volume and 2003 Supplement)

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

1 **Article - Tax - Property**

2 9-107.

3 (a) In this section, "conservation property" means land that is:

4 (1) unimproved;

5 (2) not used for commercial purposes; and

6 (3) subject to a perpetual conservation easement that is:

7 (i) donated to the DEPARTMENT OF NATURAL RESOURCES OR THE
8 Maryland Environmental Trust and identifies the DEPARTMENT OF NATURAL
9 RESOURCES OR THE MARYLAND ENVIRONMENTAL Trust as a grantee under Title 3,
10 Subtitle 2 of the Natural Resources Article; and11 (ii) accepted and approved by the Board of Public Works after June
12 30, 1986.13 (b) There shall be a property tax credit granted under this section against the
14 property tax imposed on conservation property.15 (c) On or before October 1 of the taxable year for which property tax relief
16 under this section is sought, an owner of conservation property may apply to the
17 Department for the property tax credit. The application shall be made on the form
18 that the Department provides.19 (d) The property tax credit provided under this section shall be granted
20 against 100% of all property tax that otherwise would be due.21 (e) Valuation and assessment of conservation property shall be made in the
22 same manner as any other real property in the county.23 (f) A property tax credit granted under this section is effective for 15
24 consecutive tax years beginning July 1 following the donation of the easement.

25 9-220.

26 (a) (1) In this section the following words have the meanings indicated.

27 (2) "Conservation land" means real property that is:

28 (i) subject to a perpetual conservation easement donated to a land
29 trust, THE DEPARTMENT OF NATURAL RESOURCES, or the Maryland Environmental
30 Trust on or after July 1, 1991;

31 (ii) 1. acquired by a land trust on or after July 1, 1991; AND

32 2. owned in fee by that land trust[; and

1 12-108.

2 (cc) (1) (i) In this subsection the following words have the meanings
3 indicated.

4 (ii) "Land trust" means a qualified conservation organization that:

5 1. is a qualified organization under § 170(h)(3) of the
6 Internal Revenue Code and regulations adopted under that section; and

7 2. has executed a cooperative agreement with the Maryland
8 Environmental Trust.

9 (iii) "Conservation easement" means a restriction prohibiting or
10 limiting the use of water or land areas, or any improvement or appurtenance thereto,
11 described in § 2-118 of the Real Property Article.

12 (2) An instrument of writing conveying or assigning a conservation
13 easement to [both] a land trust [and the United States, the State, an agency of the
14 State, or a political subdivision of the State] is not subject to recordation tax.

15 (3) An instrument of writing conveying [a conservation easement or] fee
16 simple title to a land trust is not subject to recordation tax if the land trust files a
17 declaration of intent [to convey its conservation easement or fee simple title to the
18 United States, the State, an agency of the State, or a political subdivision of the State
19 within 18 months of the date of the declaration] THAT THE LAND WILL BE USED:

20 (I) TO ASSIST IN THE PRESERVATION OF A NATURAL AREA;

21 (II) FOR THE ENVIRONMENTAL EDUCATION OF THE PUBLIC;

22 (III) TO CONSERVE AGRICULTURAL LAND AND TO PROMOTE
23 CONTINUED AGRICULTURAL USE OF THE LAND;

24 (IV) GENERALLY TO PROMOTE CONSERVATION; OR

25 (V) FOR THE MAINTENANCE OF A NATURAL AREA FOR PUBLIC USE
26 OR A SANCTUARY FOR WILDLIFE.

27 13-207.

28 (a) An instrument of writing is not subject to transfer tax to the same extent
29 that it is not subject to recordation tax under:

30 (21) § 12-108(cc) of this article (Certain transfers to land trusts).

31 13-410.

32 An instrument of writing that is exempt from recordation tax under § 12-108(cc)
33 of this article (Certain transfers to land trusts) is not subject to the county transfer
34 tax.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2004.