

# HOUSE BILL 838

Q2

9lr0570

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By: **Montgomery County Delegation**

Introduced and read first time: February 11, 2009

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Property Tax – Classes of Property and Special Rates**

3 **MC 906–09**

4 FOR the purpose of authorizing the governing body of Montgomery County to impose  
5 property tax on those classes of property that it selects to be subject to property  
6 tax; providing that the county property tax in Montgomery County is imposed  
7 only on assessments made under certain provisions of law; authorizing the  
8 governing body of Montgomery County to set special rates for any class of  
9 property that is subject to the county property tax, subject to a certain  
10 requirement; providing a certain exception to certain requirements regarding  
11 property tax rates in Montgomery County; repealing certain obsolete provisions  
12 of law; making a technical correction; providing for the application of this Act;  
13 and generally relating to authority for Montgomery County to select certain  
14 classes of property and set certain special tax rates for purposes of the county  
15 property tax.

16 BY repealing and reenacting, with amendments,  
17 Article – Tax – Property  
18 Section 6–302  
19 Annotated Code of Maryland  
20 (2007 Replacement Volume and 2008 Supplement)

21 BY adding to  
22 Article – Tax – Property  
23 Section 6–309  
24 Annotated Code of Maryland  
25 (2007 Replacement Volume and 2008 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Tax – Property**

2 6–302.

3 (a) Except as otherwise provided in this section and after complying with §  
4 6–305 of this subtitle, in each year after the date of finality and before the following  
5 July 1, the Mayor and City Council of Baltimore City or the governing body of each  
6 county annually shall set the tax rate for the next taxable year on all assessments of  
7 property subject to that county’s property tax.

8 (b) (1) Except as provided in [subsection (c) of this section,] §§ 6–305  
9 [and], 6–306, **AND 6–309** of this subtitle [and § 6–203 of this title]:

10 (i) there shall be a single county property tax rate for all real  
11 property subject to county property tax except for operating real property described in  
12 § 8–109(c) of this article; and

13 (ii) the county tax rate applicable to personal property and the  
14 operating real property described in § 8–109(c) of this article [for taxable years  
15 beginning after June 30, 2001] shall be 2.5 times the rate for real property.

16 (2) Paragraph (1) of this subsection does not affect a special rate  
17 prevailing in a taxing district or part of a county.

18 [(c) (1) Intangible personal property is subject to county property tax as  
19 otherwise provided in this title at a rate set annually, if:

20 (i) the intangible personal property has paid interest or  
21 dividends during the 12 months that precede the date of finality;

22 (ii) interest or dividends were withheld on the intangible  
23 personal property during the 12 months that precede the date of finality to avoid the  
24 tax under this subsection;

25 (iii) the intangible personal property consists of newly issued  
26 bonds, certificates of indebtedness, or evidences of debt on which interest is not in  
27 default; or

28 (iv) a stock dividend has been declared on the intangible  
29 personal property during the 12 months that precede the date of finality.

30 (2) The county tax rate for the intangible personal property is 30 cents  
31 for each \$100 of assessment.]

32 **6–309.**

1           **(A) THIS SECTION ONLY APPLIES IN MONTGOMERY COUNTY.**

2           **(B) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, THE**  
3 **GOVERNING BODY OF MONTGOMERY COUNTY MAY IMPOSE PROPERTY TAX ON**  
4 **THOSE CLASSES OF PROPERTY THAT IT SELECTS TO BE SUBJECT TO PROPERTY**  
5 **TAX.**

6           **(C) THE COUNTY PROPERTY TAX IS IMPOSED ONLY ON ASSESSMENTS**  
7 **MADE UNDER TITLE 8 OF THIS ARTICLE.**

8           **(D) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION AND**  
9 **AFTER COMPLYING WITH § 6-305 OF THIS SUBTITLE, IN EACH YEAR AFTER THE**  
10 **DATE OF FINALITY AND BEFORE THE FOLLOWING JULY 1, THE GOVERNING**  
11 **BODY OF MONTGOMERY COUNTY SHALL SET THE TAX RATE FOR THE NEXT**  
12 **TAXABLE YEAR ON ALL ASSESSMENTS OF PROPERTY SUBJECT TO THE COUNTY**  
13 **PROPERTY TAX.**

14           **(2) IF NOT OTHERWISE PROHIBITED BY THIS ARTICLE AND**  
15 **SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE GOVERNING BODY OF**  
16 **MONTGOMERY COUNTY MAY SET SPECIAL RATES FOR ANY CLASS OF PROPERTY**  
17 **THAT IS SUBJECT TO THE COUNTY PROPERTY TAX.**

18           **(3) THERE SHALL BE A SINGLE COUNTY PROPERTY TAX RATE FOR**  
19 **ALL PERSONAL PROPERTY SUBJECT TO THE COUNTY PROPERTY TAX.**

20           **(E) (1) EXCEPT AS PROVIDED IN § 6-305 OF THIS SUBTITLE, UNLESS**  
21 **OTHERWISE PROVIDED BY THE GOVERNING BODY OF MONTGOMERY COUNTY:**

22                   **(I) THERE SHALL BE A SINGLE COUNTY PROPERTY TAX**  
23 **RATE FOR ALL REAL PROPERTY SUBJECT TO COUNTY PROPERTY TAX EXCEPT**  
24 **FOR OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS ARTICLE;**  
25 **AND**

26                   **(II) THE COUNTY TAX RATE APPLICABLE TO PERSONAL**  
27 **PROPERTY AND THE OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF**  
28 **THIS ARTICLE SHALL BE 2.5 TIMES THE RATE FOR REAL PROPERTY.**

29           **(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT AFFECT A**  
30 **SPECIAL RATE PREVAILING IN A TAXING DISTRICT OR PART OF MONTGOMERY**  
31 **COUNTY.**

32           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 June 1, 2009, and shall be applicable to all taxable years beginning after June 30,  
34 2009.

