Q2 4lr2260

By: Delegates McIntosh, Anderson, Branch, Carter, Clippinger, Glenn, Hammen, Harper, Haynes, McHale, Mitchell, Oaks, B. Robinson, Rosenberg, Stukes, Tarrant, and M. Washington

Introduced and read first time: February 5, 2014

Assigned to: Ways and Means

## A BILL ENTITLED

1 A	- TA T A		•
L P	MNP	$\Gamma$	concerning

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## Baltimore City - Tax-Exempt Property - Certification of Use

- 3 FOR the purpose of requiring certain organizations that own property in Baltimore City that is not subject to property tax to submit a certain application to the 4 5 State Department of Assessments and Taxation on or before a certain date; 6 requiring that the application include a certification that certain property not 7 subject to property tax is in current actual use for a certain tax-exempt 8 purpose; specifying the form and oath required for the application; providing 9 that a property subject to this Act for which an application has not been filed on 10 or before a certain date shall be subject to property tax on a certain date; 11 requiring that a property for which an application is filed after a certain date not be subject to property tax effective in certain taxable years; and generally 12 relating to requiring a certification of a current tax-exempt use of certain 13 14 property in Baltimore City that is not subject to property tax.
- 15 BY repealing and reenacting, with amendments,
- 16 Article Tax Property
- 17 Section 7–202 and 7–204
- 18 Annotated Code of Maryland
- 19 (2012 Replacement Volume and 2013 Supplement)
- 20 BY adding to
- 21 Article Tax Property
- 22 Section 7–204.1
- 23 Annotated Code of Maryland
- 24 (2012 Replacement Volume and 2013 Supplement)
- 25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 26 MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1				Article - Tax - Property	
2	7–202.				
3	(a)	In th	In this section:		
4		(1)	"frate	ernal organization" means any organization that:	
5 6	beneficiarie	es;	(i)	is conducted solely for the benefit of its members and its	
7			(ii)	is operated on a lodge system with a ritualistic activity; and	
8			(iii)	has a representative form of government;	
9		(2)	"frate	ernal organization" includes a sororal organization; and	
10		(3)	"frate	ernal organization" does not include:	
1			(i)	any college or high school fraternity or sorority; or	
12 13 14	of which is			any other fraternal or sororal organization the membership wholly or largely to students or graduates of an educational anal school.	
5 6 7	(b) <b>TO § 7–20</b> property:	(1) <b>4.1 O</b>		pt as provided in subsection (c) of this section AND SUBJECT S SUBTITLE, property is not subject to property tax if the	
18 19 20				is necessary for and actually used exclusively for a il purpose to promote the general welfare of the people of the ity or an athletic program of an educational institution; and	
21			(ii)	is owned by:	
22				1. a nonprofit hospital;	
23 24	literary org	anizat	ion inc	2. a nonprofit charitable, fraternal, educational, or luding:	
25 26	the Educati	ion Art	icle; aı	A. a public library that is authorized under Title 23 of	
27 28	nonstock cl	ub;		B. a men's or women's club that is a nonpolitical and	

1 2 3	3. a corporation, limited liability company, or trustee that holds the property for the sole benefit of an organization that qualifies for an exemption under this section; or
4	4. a nonprofit housing corporation.
5 6 7	(2) The exemption under paragraph (1)(ii)1 of this subsection includes any personal property initially leased by a nonprofit hospital for more than 1 year under a lease that is noncancellable except for cause.
8 9 10 11	(c) (1) Except for a nonprofit hospital, not more than 100 acres of real property owned by an exempt organization and appurtenant to the premises of the exempt organization is exempt from property tax, if the property is located outside of a municipal corporation or Baltimore City.
12 13	(2) Not more than 100 acres of real property of a nonprofit hospital that is appurtenant to the hospital is exempt from property tax.
14 15 16 17	(d) (1) Notwithstanding § 7–104 of this title and after filing the application provided by § 7–103 of this title, property tax on any property that is transferred to a nonprofit charitable organization is abated from the date during the taxable year when the instrument transferring title to the organization is recorded if:
18 19	(i) the property is transferred to a nonprofit charitable organization qualified under § 501(c)(3) of the Internal Revenue Code;
20	(ii) the property becomes exempt under this section;
21 22 23	(iii) the property has a value less than \$300,000 as listed in the records of the Department on the date when the instrument transferring title to the organization is recorded; and
24 25 26	(iv) the nonprofit charitable organization provides the Department evidence of the property tax it actually paid or reimbursed at the property settlement.
27 28 29	(2) The amount of property tax abated under this subsection may not exceed the amount of property tax actually paid or reimbursed by an eligible organization at the property settlement.
30	7–204.
31 32	[Property] SUBJECT TO § 7-204.1 OF THIS SUBTITLE, PROPERTY that is owned by a religious group or organization is not subject to property tax if the property

(1) public religious worship;

is actually used exclusively for:

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June 1, 2014.

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1	(2) a parsonage or convent; or
2	(3) educational purposes.
3	7–204.1.
4	(A) AN ORGANIZATION THAT OWNS PROPERTY IN BALTIMORE CITY
5	THAT IS NOT SUBJECT TO PROPERTY TAX AS OF JUNE 1, 2014, UNDER § 7–202
6	OR § 7–204 OF THIS SUBTITLE SHALL SUBMIT AN APPLICATION TO THE
7	DEPARTMENT ON OR BEFORE JUNE 1, 2016, IN ACCORDANCE WITH THIS
8	SECTION.
O	SECTION.
9	(B) THE APPLICATION SHALL:
10	(1) BE MADE ON THE FORM THAT THE DEPARTMENT PROVIDES;
11	(2) CERTIFY THAT EACH PROPERTY OWNED BY THE
12	ORGANIZATION IN BALTIMORE CITY THAT IS NOT SUBJECT TO PROPERTY TAX IS
13	IN CURRENT ACTUAL USE FOR A TAX-EXEMPT PURPOSE AS ENUMERATED IN §
14	7–202 OR § 7–204 OF THIS SUBTITLE; AND
	,
15	(3) INCLUDE A STATEMENT BY A REPRESENTATIVE OF THE
16	ORGANIZATION UNDER OATH THAT THE FACTS STATED IN THE APPLICATION
17	ARE TRUE, CORRECT, AND COMPLETE.
18	(C) A PROPERTY SUBJECT TO THIS SECTION FOR WHICH AN
19	APPLICATION HAS NOT BEEN FILED ON OR BEFORE JUNE 1, 2016, SHALL BE
20	SUBJECT TO PROPERTY TAX EFFECTIVE JULY 1, 2016.
21	(D) A PROPERTY FOR WHICH AN APPLICATION IS FILED AFTER JUNE 1,
22	2016, IS NOT SUBJECT TO PROPERTY TAX EFFECTIVE:
23	(1) THE NEXT TAXABLE YEAR IF THE APPLICATION IS RECEIVED
24	ON OR AFTER JULY 1 BUT ON OR BEFORE JUNE 1; OR
25	(2) THE SECOND FOLLOWING TAXABLE YEAR IF THE APPLICATION
26	IS RECEIVED AFTER JUNE 1 BUT BEFORE JULY 1.
27	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect