

HOUSE BILL 943

Q2

4lr2640

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

Introduced and read first time: February 5, 2014

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2014

CHAPTER _____

1 AN ACT concerning

2 **Baltimore City – Property Tax Equity – Study**

3 FOR the purpose of requiring the Department of Legislative Services to complete a
4 study analyzing whether Baltimore City’s property tax structure places an
5 equitable burden on homeowners, renters, and commercial property owners;
6 requiring the study to examine certain issues; requiring the study to consider
7 certain factors; requiring the Department to submit a report of its findings and
8 any recommendations to certain persons on or before a certain date; providing
9 for the termination of this Act; and generally relating to a study of the equity of
10 Baltimore City’s property tax structure.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (a) The Department of Legislative Services shall complete a study analyzing
14 whether Baltimore City’s property tax structure places an equitable burden on
15 homeowners, renters, and commercial property owners.

16 (b) The study shall examine:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (1) any factors that contribute to a differing property tax burden on
2 homeowners, renters of converted row houses and single family homes, and
3 commercial property owners;

4 (2) whether any of these factors create an undue burden on
5 homeowners; and

6 (3) if an undue burden on homeowners is found, what measures could
7 be taken to alleviate the burden and create a more equitable property tax structure.

8 (c) In reaching its conclusions under subsection (b) of this section, the
9 Department of Legislative Services shall consider the:

10 (1) feasibility of achieving property tax equity between residential and
11 commercial properties when different valuation methods are used for commercial and
12 residential properties;

13 (2) accuracy and potential for manipulation of income capitalization
14 percentages used to value commercial properties;

15 (3) impact of tax-exempt property on Baltimore City's tax base and
16 tax rate, including any implicit subsidy property tax exemptions may provide to
17 persons who reside outside of Baltimore City; and

18 (4) relationship between Baltimore City's relatively low income tax
19 base and its relatively high reliance on property taxes for revenue.

20 (d) During the study, the Department of Assessments and Taxation and the
21 Baltimore City Department of Finance shall:

22 (1) provide promptly any information that the Department of
23 Legislative Services requests; and

24 (2) otherwise cooperate fully with the Department of Legislative
25 Services.

26 ~~(e)~~ (e) On or before December 31, ~~2014~~ 2015, the Department of Legislative
27 Services shall submit a report of its findings and any recommendations to the Mayor
28 and City Council of Baltimore City and, in accordance with § 2-1246 of the State
29 Government Article, the Baltimore City House Delegation and the Baltimore City
30 Senators.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 June 1, 2014. It shall remain effective for a period of ~~1 year~~ 2 years and 1 month and,
33 at the end of June 30, ~~2015~~ 2016, with no further action required by the General
34 Assembly, this Act shall be abrogated and of no further force and effect.