

# HOUSE BILL 950

Q1

4lr2934

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By: **Delegate Hogan**

Introduced and read first time: February 5, 2014

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2014

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Property Tax – Charitable, Educational, or Religious Properties – Tax on**  
3 **Formerly Exempt Property**

4 FOR the purpose of providing that, except under certain circumstances, when certain  
5 charitable, educational, or religious property that was formerly exempt from  
6 property tax under certain provisions of law is sold and the property is no longer  
7 entitled to the exemption, the property tax is payable for the remainder of the  
8 taxable year from the date of transfer; providing for the application of this Act;  
9 and generally relating to the property tax and certain exemptions for charitable,  
10 educational, or religious property.

11 BY repealing and reenacting, without amendments,  
12 Article – Tax – Property  
13 Section 7–202(b)(1) and ~~7–204~~  
14 Annotated Code of Maryland  
15 (2012 Replacement Volume and 2013 Supplement)

16 BY adding to  
17 Article – Tax – Property  
18 Section ~~7–202(e)~~ 7–104(e)  
19 Annotated Code of Maryland  
20 (2012 Replacement Volume and 2013 Supplement)

21 ~~BY repealing and reenacting, with amendments,~~  
22 ~~Article – Tax – Property~~

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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 ~~Section 7-204~~  
 2 ~~Annotated Code of Maryland~~  
 3 ~~(2012 Replacement Volume and 2013 Supplement)~~

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

6 **Article – Tax – Property**

7 7-104.

8 **(E) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, WHEN ANY**  
 9 **PROPERTY THAT WAS FORMERLY EXEMPT UNDER § 7-202 OR § 7-204 OF THIS**  
 10 **TITLE IS SOLD AND THE PROPERTY IS NO LONGER ENTITLED TO AN EXEMPTION,**  
 11 **THE PROPERTY TAX IS PAYABLE FOR THE REMAINDER OF THE TAXABLE YEAR**  
 12 **FROM THE DATE OF TRANSFER.**

13 7-202.

14 (b) (1) Except as provided in subsection (c) of this section, property is not  
 15 subject to property tax if the property:

16 (i) is necessary for and actually used exclusively for a  
 17 charitable or educational purpose to promote the general welfare of the people of the  
 18 State, including an activity or an athletic program of an educational institution; and

19 (ii) is owned by:

20 1. a nonprofit hospital;

21 2. a nonprofit charitable, fraternal, educational, or  
 22 literary organization including:

23 A. a public library that is authorized under Title 23 of  
 24 the Education Article; and

25 B. a men's or women's club that is a nonpolitical and  
 26 nonstock club;

27 3. a corporation, limited liability company, or trustee  
 28 that holds the property for the sole benefit of an organization that qualifies for an  
 29 exemption under this section; or

30 4. a nonprofit housing corporation.

1       ~~(E) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, WHEN ANY~~  
 2 ~~PROPERTY THAT WAS FORMERLY EXEMPT UNDER THIS SECTION IS SOLD AND~~  
 3 ~~THE PROPERTY IS NO LONGER ENTITLED TO AN EXEMPTION, THE PROPERTY~~  
 4 ~~TAX IS PAYABLE FOR THE REMAINDER OF THE TAXABLE YEAR FROM THE DATE~~  
 5 ~~OF TRANSFER.~~

6       7-204.

7       (A) Property that is owned by a religious group or organization is not subject  
 8 to property tax if the property is actually used exclusively for:

9               (1) public religious worship;

10              (2) a parsonage or convent; or

11              (3) educational purposes.

12       ~~(B) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, WHEN ANY~~  
 13 ~~PROPERTY THAT WAS FORMERLY EXEMPT UNDER THIS SECTION IS SOLD AND~~  
 14 ~~THE PROPERTY IS NO LONGER ENTITLED TO AN EXEMPTION, THE PROPERTY~~  
 15 ~~TAX IS PAYABLE FOR THE REMAINDER OF THE TAXABLE YEAR FROM THE DATE~~  
 16 ~~OF TRANSFER.~~

17       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 18 June 1, 2014, and shall be applicable to all taxable years beginning after June 30,  
 19 2014.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.