HOUSE BILL 950

Q1 4lr2934

By: **Delegate Hogan**
Introduced and read first time: February 5, 2014
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

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

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

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 7–202(b)(1)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY adding to
Article – Tax – Property
Section 7–202(e)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 7–204
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

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

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

Article – Tax – Property

7–202.

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

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

(ii) is owned by:

1. a nonprofit hospital;

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

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

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

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. a nonprofit housing corporation.

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

7–204.

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

(1) public religious worship;

(2) a parsonage or convent; or

(3) educational purposes.

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

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