

SENATE BILL 567

Q1

2lr1944

By: **Senators Elfreth, Hester, Corderman, Feldman, Guzzone, Jackson, King, and Zucker**

Introduced and read first time: February 1, 2022

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Agricultural Use Assessment – Improvements**

3 FOR the purpose of requiring that certain improvements on land that qualifies for
4 agricultural use assessment be assessed as agricultural property; providing for the
5 retroactive application of this Act; authorizing the payment of tax refunds under
6 certain circumstances; and generally relating to the agricultural use assessment.

7 BY repealing and reenacting, without amendments,

8 Article – Tax – Property

9 Section 8–209(a) through (d)

10 Annotated Code of Maryland

11 (2019 Replacement Volume and 2021 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Tax – Property

14 Section 8–209(e)

15 Annotated Code of Maryland

16 (2019 Replacement Volume and 2021 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

18 That the Laws of Maryland read as follows:

19 **Article – Tax – Property**

20 8–209.

21 (a) The General Assembly declares that it is in the general public interest of the
22 State to foster and encourage farming activities to:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) maintain a readily available source of food and dairy products close to
2 the metropolitan areas of the State;

3 (2) encourage the preservation of open space as an amenity necessary for
4 human welfare and happiness; and

5 (3) prevent the forced conversion of open space land to more intensive uses
6 because of the economic pressures caused by the assessment of the land at rates or levels
7 incompatible with its practical use for farming.

8 (b) It is the intention of the General Assembly that the assessment of farmland:

9 (1) be maintained at levels compatible with the continued use of the land
10 for farming; and

11 (2) not be affected adversely by neighboring land uses of a more intensive
12 nature.

13 (c) Land that is actively used for farm or agricultural use shall be valued on the
14 basis of that use and may not be valued as if subdivided.

15 (d) Land that is valued under subsection (c) of this section shall be assessed on
16 the basis of its use value.

17 (e) (1) The Department shall establish in regulations criteria to determine if
18 land that appears to be actively used for farm or agricultural purposes:

19 (i) is actually used for farm or agricultural purposes; and

20 (ii) qualifies for assessment under this section.

21 (2) The criteria shall include:

22 (i) the zoning of the land;

23 (ii) the present and past use of the land including land under the Soil
24 Bank Program of the United States;

25 (iii) the productivity of the land, including timberlands and
26 reforested lands; and

27 (iv) the gross income that is derived from the agricultural activity.

28 **(3) AN IMPROVEMENT LOCATED ON LAND THAT QUALIFIES FOR**
29 **AGRICULTURAL USE ASSESSMENT UNDER THIS SECTION SHALL BE ASSESSED AS**
30 **AGRICULTURAL PROPERTY IF THE IMPROVEMENT IS USED FOR:**

1 **(I) THE MANUFACTURE, PACKAGING, STORAGE, PROMOTION,**
2 **OR SALE OF A VALUE-ADDED AGRICULTURAL PRODUCT, INCLUDING A DAIRY**
3 **PRODUCT, THAT IS DERIVED FROM INGREDIENTS PRODUCED ON THE**
4 **AGRICULTURAL LAND OR ANY ASSOCIATED AGRICULTURAL LAND;**

5 **(II) AGRICULTURAL ALCOHOL PRODUCTION, AS DEFINED IN §**
6 **4-214(A) OF THE LAND USE ARTICLE; OR**

7 **(III) AGRITOURISM, AS DEFINED IN § 4-212 OF THE LAND USE**
8 **ARTICLE.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That:

10 (a) This Act shall be construed to apply retroactively and shall be applied to and
11 interpreted to affect any assessment of an improvement described in § 8-209(e)(3) of the
12 Tax – Property Article as enacted by Section 1 of this Act, that was made final on or after
13 January 1, 2021.

14 (b) (1) A person who paid excess property tax as a result of an assessment of
15 an improvement described in § 8-209(e)(3) of the Tax – Property Article, as enacted by
16 Section 1 of this Act, as nonagricultural property on or after January 1, 2021, but before
17 June 1, 2022, may apply for a refund of the excess tax paid in accordance with Title 14,
18 Subtitle 9 of the Tax – Property Article.

19 (2) A tax refund under this section is not subject to the limitations of §§
20 14-904(b) and 14-905(c) of the Tax – Property Article.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
22 1, 2022.