
By: Delegates Healey and Howard

Introduced and read first time: February 2, 1996

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Assessment - Real Property**

3 FOR the purpose of altering the method of computing the assessment of real property;
4 requiring that the county tax rate for personal property and certain operating real
5 property be set at a rate that is based on the rate for real property; altering the
6 computation of certain exemptions, credits, and penalties to reflect the computation
7 of assessments under this Act; requiring that an assessment for certain taxable years
8 be computed in a certain manner for certain purposes; requiring the Department of
9 Assessments and Taxation to identify certain provisions of law and submit a certain
10 report to the General Assembly; providing for the construction and applicability of
11 this Act; defining certain terms; and generally relating to the method of computing
12 the assessment of property for property tax purposes.

13 BY repealing and reenacting, with amendments,

14 Article - Tax - Property
15 Section 1-101(b) and (c), 1-403, 6-302(b), 7-207(b), 8-103, 8-209(d), 8-401(c) and
16 (d), and 9-104(a)(13)
17 Annotated Code of Maryland
18 (1994 Replacement Volume and 1995 Supplement)

19 BY adding to

20 Article - Tax - Property
21 Section 6-309 and 8-422
22 Annotated Code of Maryland
23 (1994 Replacement Volume and 1995 Supplement)

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

26 **Article - Tax - Property**

27 1-101.

28 (b) "Assess" means:

29 (1) for real property, to determine [the product of] the phased-in full cash
30 value [multiplied by the assessment percentage or other applicable factor as provided in

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1 § 8-103(c) of this article] OR USE VALUE to which the property tax rate may be applied;
2 and

3 (2) for personal property, to determine the value to which the property tax
4 rate may be applied.

5 (c) "Assessment" means:

6 (1) for real property, the [adjusted] PHASED-IN FULL CASH value OR USE
7 VALUE to which the property tax rate may be applied; and

8 (2) for personal property, the value to which the property tax rate may be
9 applied.

10 1-403.

11 On or before February 15 preceding the taxable year beginning July 1, 1991 and
12 each year thereafter, the Department shall advertise at least once a week for 2
13 consecutive weeks in a newspaper of general circulation in each county:

14 (1) a summary of the property owner's rights provided in this subtitle;

15 (2) for the current and the next taxable year [:

16 (i) the new statewide value as defined in § 8-103 of this article;

17 [(ii) the assessment percentage used for real property; and

18 (iii) the new statewide assessable base as defined in § 8-103 of this
19 article;] and

20 (3) information on the availability of State property tax credits, including
21 the homestead property tax credit, the homeowners property tax credit, and the renters
22 tax credit.

23 6-302.

24 (b) (1) Except as provided in subsection (c) of this section, §§ 6-305, [and]
25 6-306, AND 6-309 of this subtitle and § 6-203 of this title, there shall be a single county
26 property tax rate for all property subject to county property tax.

27 (2) Paragraph (1) of this subsection does not affect a special rate prevailing
28 in a taxing district or part of a county.

29 6-309.

30 (A) NOTWITHSTANDING ANY OTHER PROVISION IN THIS TITLE, THE COUNTY
31 TAX RATE APPLICABLE TO PERSONAL PROPERTY AND THE OPERATING REAL
32 PROPERTY DESCRIBED IN § 8-109(C) OF THIS ARTICLE FOR TAXABLE YEARS
33 BEGINNING AFTER JUNE 30, 1997 SHALL BE 2.5 TIMES THE RATE FOR REAL PROPERTY
34 AND OPERATING REAL PROPERTY DESCRIBED IN § 8-108(C) OF THIS ARTICLE.

35 (B) NOTHING IN THIS SECTION SHALL ALTER THE REQUIREMENTS OF THE
36 CONSTANT YIELD TAX RATE PROVISION OF §§ 2-205 AND 6-308 OF THIS ARTICLE.

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1 7-207.

2 (b) Except as provided in subsection (d) of this section, a dwellinghouse is
3 exempt from property tax to the extent of [\$6,000] \$15,000 of its assessment if the
4 dwelling house is owned by:

5 (1) a blind individual; or

6 (2) a surviving spouse.

7 8-103.

8 (a) (1) In this section the following words have the meanings indicated.

9 (2) "New statewide value" means the phased in value of all realproperty
10 subject to property tax on January 1 preceding any taxable year, excluding the phased in
11 value of real property assessed for the 1st time during the calendar year beginning on that
12 January 1.

13 (3) "Phased in value" means for the 1st, 2nd, or 3rd year of a 3-year cycle:

14 (i) the prior value of real property increased by one-third, two-thirds,
15 or the full amount by which the value increased over the prior value based on a physical
16 inspection of the real property; or

17 (ii) if the value of real property has not increased, the value
18 determined in the most recent valuation.

19 (4) ["New statewide assessable base" means the total assessable base as of
20 January 1 of any year of a 3-year cycle of all real property subject tothe property tax,
21 excluding the estimated assessment of real property that will be 1st assessed during the
22 following calendar year.

23 (5) "3-year cycle" means a continuous series of 3 calendar year periods
24 beginning for each period with the 1st calendar year after the calendaryear in which a
25 physical inspection of real property is made under § 8-104(b) of this subtitle.

26 (b) On or before January 1 of each year, the Department shall[:

27 (1) determine the new statewide value[: and

28 (2) determine the new statewide assessable base].

29 (c) (1) Except as provided in this subsection, the assessment of real property is
30 [40% of] its phased in value.

31 (2) The assessment of the real property described in § 8-102(b)of this
32 subtitle is [50% of] its phased in use value.

33 (3) The assessment of the operating real property described in § 8-108(c) of
34 this title is [40% of] its value.

35 (4) The assessment of the operating real property described in § 8-109(c) of
36 this title is its value.

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1 8-209.

2 (d) Land that is valued under subsection (c) of this section shall be assessed on
3 the basis of [50% of] its use value.

4 8-401.

5 (c) The notice for subsection (b)(1) of this section shall include:

6 (1) [the amount of the current assessment;

7 (2) the portion of the assessment subject to State taxation;

8 (3)] the amount of the current value;

9 [(4)] (2) the amount of the proposed value including a statement that the
10 total amount of the proposed value is the value for purposes of appeal;

11 [(5)] (3) the amount of the proposed value that will be the basis for the
12 assessment in each year of the 3-year cycle;

13 [(6) the amount of the assessment for each year of the 3-year cycle;

14 (7)] (4) a statement:

15 (i) indicating the right to appeal; and

16 (ii) briefly describing the appeal process and the property owner's bill
17 of rights; and

18 [(8)] (5) a statement that valuation records are available as provided by §
19 14-201 of this article.

20 (d) In the instance of notices required in subsection (b)(2), (3), (4), and (5) of this
21 section, the notice shall include:

22 (1) the amount of the current value;

23 (2) the amount of the proposed or final value;

24 (3) the amount of the proposed value that is the basis for the assessment in
25 the applicable years of the 3-year cycle;

26 [(4) the amount of the assessment for each year of the 3-year cycle;

27 (5)] (4) the portion of the assessment subject to State taxation;

28 [(6)] (5) a statement:

29 (i) indicating the right of appeal; and

30 (ii) briefly describing the appeal process and the property owner's bill
31 of rights; and

32 [(7)] (6) a statement that valuation records are available as provided by §
33 14-201 of this article.

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1 8-422.

2 FOR THE PURPOSE OF ANY STATE OR LOCAL LAW, AN ASSESSMENT FOR REAL
3 PROPERTY FOR A TAXABLE YEAR BEGINNING AFTER JUNE 30, 1997 THAT IS
4 COMPARED TO AN ASSESSMENT FOR A TAXABLE YEAR BEGINNING ON OR BEFORE
5 JULY 1, 1997 SHALL BE COMPUTED SO THAT:

6 (1) THE TWO ASSESSMENTS ARE COMPARED AT THE SAME PERCENT OF
7 VALUE, AND THE TAX RATE IS ADJUSTED PROPORTIONATELY, IF NECESSARY; AND

8 (2) THERE IS NO CHANGE IN THE AMOUNT OF TAX DUE, TAX RELIEF
9 AUTHORIZED, COMPUTATION OF ASSESSMENT RATIO, OR OTHER COMPUTATION
10 BASED ON ASSESSMENTS AS A RESULT OF THE CHANGE IN THE METHOD OF
11 COMPUTING ASSESSMENTS APPLICABLE TO TAXABLE YEARS BEGINNING AFTER
12 JUNE 30, 1997.

13 9-104.

14 (a) (13) "Total real property tax" means the product of the sum of all property
15 tax rates on real property, including special district tax rates, for the taxable year on a
16 dwelling, multiplied by the lesser of the assessed value of the dwelling or [\$60,000]
17 \$150,000; and then reduced by any property tax credit granted under § 9-105 of this
18 subtitle.

19 SECTION 2. AND BE IT FURTHER ENACTED, That on or before December 1,
20 1996, the Department of Assessments and Taxation shall identify any provisions of the
21 Annotated Code of Maryland or the Code of Public Local Laws that are rendered
22 inaccurate or obsolete as a result of the change in the method of computing assessments
23 under this Act and, in accordance with § 2-1312 of the State Government Article, shall
24 submit a report to the General Assembly on their findings with recommendations for any
25 amendments to the Codes.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act may not be
27 construed to alter, except as expressly provided in this Act, the manner in which property
28 tax is computed or imposed, or to affect any limit in State or local law or county or
29 municipal charter on the rates or amounts of county, municipal, or special district
30 property tax that may be imposed; and, further, it is the intent of the General Assembly
31 that the impact of this Act be revenue neutral.

32 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 July 1, 1996, and shall be applicable to all taxable years beginning after June 30, 1997.