
By: Delegate Rosenberg

Introduced and read first time: February 2, 1996

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Income Producing Real Property - Penalty for Failing to File Information**

3 FOR the purpose of altering the minimum value of income producing real property for
4 which the failure to file certain information incurs a certain penalty; altering certain
5 notice requirements that relate to the filing requirements and penalties; and
6 providing for the effective date of this Act.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - Property
9 Section 8-105
10 Annotated Code of Maryland
11 (1994 Replacement Volume and 1995 Supplement)

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

14 **Article - Tax - Property**

15 8-105.

16 (a) (1) Except for land that is actively devoted to farm or agricultural use, the
17 supervisor:

18 (i) may value income producing real property by using the
19 capitalization of income method or any other appropriate method of valuing the real
20 property; and

21 (ii) shall consider an income method in valuing income producing
22 commercial real property.

23 (2) For income producing single-family residential real property, the
24 supervisor may value the property by using the same methods that are used for
25 single-family residential real property that is owner-occupied.

26 (b) (1) The supervisor shall notify each owner of income producing real
27 property to submit, under oath, on or before May 15 of each year, a current:

28 (i) income and expense statement for the real property, on the form
29 that the Department requires; or

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1 (ii) annual income and expense statement in another form that is
2 acceptable to the Department.

3 (2) For income producing real property that has a value in excess of
4 [\$5,000,000] \$10,000,000 as listed on the assessment roll, the supervisor shall:

5 (i) include in the notice a statement that a penalty may be assessed
6 under subsection (e) of this section if the owner of real property valued at over
7 [\$5,000,000] \$10,000,000 fails to file the income and expense information required under
8 this subsection; and

9 (ii) send the notice by first class certified mail to the owner as
10 determined from the assessment rolls or the owner's registered agent.

11 (c) (1) For income producing real property that has a value in excess of
12 [\$5,000,000] \$10,000,000 as listed on the assessment roll, if the income and expense
13 statement required under subsection (b) of this section is not received by May 15, the
14 Department shall send a letter by first class certified mail to the owner notifying the
15 owner that the statement has not been received and that if the statement is still not
16 received by June 15, the penalty specified in subsection (e) of this section will be assessed.

17 (2) For property other than the property described in paragraph(1) of this
18 subsection, upon request, an extension of up to 30 days may be granted by the supervisor
19 for the filing required by subsection (b) of this section.

20 (d) The supervisor is not required to accept the expenses or depreciation claimed
21 by the owner and may use other methods to determine these amounts.

22 (e) (1) This subsection applies only to income producing real property that has
23 a value in excess of [\$5,000,000] \$10,000,000 as listed on the assessment roll.

24 (2) If an owner of income producing real property fails to submit income
25 and expense information as required by subsection (b) of this section, by June 15, the
26 supervisor shall assess on the owner of the real property a penalty of \$100 per day up to
27 a maximum equal to 0.1% of the value of the property listed on the assessment roll.

28 (3) The supervisor shall notify the collector of the county in which the
29 property is located of assessment of a penalty.

30 (4) The collector shall collect the penalty imposed under this subsection and
31 shall remit the penalty to the State Comptroller.

32 (5) The penalty imposed under this subsection may not be suspended.

33 (6) If the penalty imposed under this subsection is a direct "pass-through"
34 to a lessee, the lessee shall have a right to recover that amount from the owner.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 June 1, 1996.