
By: Delegate Rosenberg

Introduced and read first time: February 2, 1996

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 1996

CHAPTER ____

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~~ conditions
6 under which certain income producing real property becomes subject to penalty for
7 failing to file certain information; authorizing a supervisor of assessments, in
8 consultation with a certain local finance director, to designate certain real property
9 that is to be subject to certain notice and penalty provisions; authorizing a
10 supervisor of assessments to waive a penalty for good cause; and providing for the
11 effective date of this Act.

12 BY repealing and reenacting, with amendments,
13 Article - Tax - Property
14 Section 8-105
15 Annotated Code of Maryland
16 (1994 Replacement Volume and 1995 Supplement)

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

19 **Article - Tax - Property**

20 8-105.

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

2

1 (i) may value income producing real property by using the
2 capitalization of income method or any other appropriate method of valuing the real
3 property; and

4 (ii) shall consider an income method in valuing income producing
5 commercial real property.

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

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

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

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

15 (2) For income producing real property that has a value in excess of
16 ~~[\$5,000,000]~~~~\$10,000,000~~ as listed on the assessment roll, the supervisor, IN
17 CONSULTATION WITH THE LOCAL FINANCE DIRECTOR, shall DESIGNATE
18 PROPERTIES FOR WHICH THE OWNER MUST PROVIDE INCOME AND EXPENSE
19 INFORMATION OR BE SUBJECT TO A PENALTY UNDER SUBSECTION (E) OF THIS
20 SECTION FOR FAILURE TO PROVIDE THE INFORMATION.

21 (3) FOR INCOME PRODUCING REAL PROPERTY THAT IS DESIGNATED
22 UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE SUPERVISOR SHALL:

23 (i) include in the notice a statement that a penalty may be assessed
24 under subsection (e) of this section if the owner of real property valued at over
25 ~~[\$5,000,000]~~~~\$10,000,000~~ fails to file the income and expense information required under
26 this subsection; and

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

29 (c) (1) For income producing real property that has a value in excess of
30 ~~[\$5,000,000]~~~~\$10,000,000~~ as listed on the assessment roll THAT IS DESIGNATED UNDER
31 SUBSECTION (B)(2) OF THIS SECTION, if the income and expense statement required
32 under subsection (b) of this section is not received by May 15, the Department shall send
33 a letter by first class certified mail to the owner notifying the owner that the statement has
34 not been received and that if the statement is still not received by June 15, the penalty
35 specified in subsection (e) of this section will be assessed.

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

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

1 (e) (1) This subsection applies only to income producing real property that has
2 a value in excess of ~~5,000,000~~ ~~10,000,000~~ as listed on the assessment roll THAT IS
3 DESIGNATED UNDER SUBSECTION (B)(2) OF THIS SECTION.

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

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

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

12 (5) The penalty imposed under this subsection may ~~not be suspended~~ BE
13 WAIVED BY THE SUPERVISOR FOR GOOD CAUSE.

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

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