

Unofficial Copy  
Q1

1996 Regular Session  
6lr1862

CF 6lr2502

---

**By: Senator Boozer**

Introduced and read first time: January 24, 1996

Assigned to: Budget and Taxation

---

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 12, 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~~  
6 requirements under which certain income producing real property incurs a penalty  
7 for failure to file certain information; authorizing a supervisor of assessments to  
8 designate certain real property that will be subject to certain notice and penalty  
9 provisions; authorizing a supervisor of assessments to waive a penalty for good  
10 cause; and providing for the effective date of this Act.

11 BY repealing and reenacting, with amendments,

12 Article - Tax - Property

13 Section 8-105

14 Annotated Code of Maryland

15 (1994 Replacement Volume and 1995 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Tax - Property**

19 8-105.

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

22 (i) may value income producing real property by using the  
23 capitalization of income method or any other appropriate method of valuing the real  
24 property; and

2

1 (ii) shall consider an income method in valuing income producing  
2 commercial real property.

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

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

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

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

12 (2) For income producing real property that has a value in excess of  
13 ~~[\$5,000,000]~~ ~~\$10,000,000~~ as listed on the assessment roll, the supervisor shall DESIGNATE  
14 PROPERTIES FOR WHICH THE OWNER MUST PROVIDE INCOME AND EXPENSE  
15 INFORMATION OR BE SUBJECT TO A PENALTY UNDER SUBSECTION (E) OF THIS  
16 SECTION FOR FAILURE TO PROVIDE THE INFORMATION.

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

19 (i) include in the notice a statement that a penalty may be assessed  
20 under subsection (e) of this section if the owner of real property valued at over  
21 ~~[\$5,000,000]~~ ~~\$10,000,000~~ fails to file the income and expense information required under  
22 this subsection; and

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

25 (c) (1) For income producing real property that has a value in excess of  
26 ~~[\$5,000,000]~~ ~~\$10,000,000~~ as listed on the assessment roll THAT IS DESIGNATED UNDER  
27 SUBSECTION (B)(2) OF THIS SECTION, if the income and expense statement required  
28 under subsection (b) of this section is not received by May 15, the Department shall send  
29 a letter by first class certified mail to the owner notifying the owner that the statement has  
30 not been received and that if the statement is still not received by June 15, the penalty  
31 specified in subsection (e) of this section will be assessed.

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

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

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

3

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

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

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

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

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

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