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**By: Delegates Healey, Taylor, Hixson, Bozman, Willis, Howard, Muse, Workman, McIntosh, Pitkin, Dembrow, Heller, Frank, Owings, Krysiak, Hecht, Hurson, and Valderrama**

Introduced and read first time: February 19, 1997

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Clarification of 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 and municipal tax rates for personal property and certain  
5 operating real property be set at a rate that is based on the rate for real property  
6 under certain circumstances; altering the computation of certain exemptions,  
7 credits, and penalties to reflect the change in computation of assessments under this  
8 Act; requiring that an assessment for certain taxable years be computed in a certain  
9 manner for certain purposes; altering certain tax rates, limits on tax rates, debt  
10 limits, and certain formulas for computing State aid to local governments, to reflect  
11 the changes in computation of assessments under this Act; altering certain  
12 provisions of law relating to the constant yield tax rate; requiring the Department of  
13 Assessments and Taxation to identify certain provisions of law and submit a certain  
14 report to the General Assembly; requiring a county or municipal corporation to  
15 include certain notices in the real property tax bill for certain taxable years; altering  
16 the requirements for certain information relating to the constant yield tax rate to be  
17 provided under certain circumstances; requiring the Department to include certain  
18 statements in certain assessment notices; requiring the Board of Public Works to  
19 certify a rate of State tax on assessable property for a certain taxable year to reflect  
20 the changes in the method of assessing real property under this Act; providing for  
21 the construction, effective dates, and applicability of this Act; defining certain  
22 terms; and generally relating to the method of computing the assessment of  
23 property for property tax purposes.

24 BY repealing and reenacting, with amendments,

25 Article - Tax - Property  
26 Section 1-101(b) and (c), 1-403, 2-205, 6-302(b), 6-303(c), 6-308, 7-207(b), 8-103,  
27 8-108, 8-109, 8-209(d), 8-211(j), 8-224(b), 8-233, 8-401(c) and (d), 9-103,  
28 and 9-104(a)(13)  
29 Annotated Code of Maryland  
30 (1994 Replacement Volume and 1996 Supplement)

31 BY adding to

32 Article - Tax - Property

2

1 Section 8-422  
2 Annotated Code of Maryland  
3 (1994 Replacement Volume and 1996 Supplement)

4 BY repealing and reenacting, with amendments,  
5 Article 24 - Political Subdivisions - Miscellaneous Provisions  
6 Section 9-101(a) and 9-109  
7 Annotated Code of Maryland  
8 (1996 Replacement Volume)

9 BY repealing and reenacting, with amendments,  
10 Article 25A - Chartered Counties of Maryland  
11 Section 5(P)(1)(i)  
12 Annotated Code of Maryland  
13 (1996 Replacement Volume)

14 BY repealing and reenacting, with amendments,  
15 Article 28 - Maryland-National Capital Park and Planning Commission  
16 Section 3-103(a), 4-105(f), 6-106, 6-107(a) and (b), and 7-106(e)  
17 Annotated Code of Maryland  
18 (1993 Replacement Volume and 1996 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article 29 - Washington Suburban Sanitary District  
21 Section 4-101(a)(1) and 6-106(a)  
22 Annotated Code of Maryland  
23 (1993 Replacement Volume and 1996 Supplement)

24 BY repealing and reenacting, with amendments,  
25 Article 41 - Governor - Executive and Administrative Departments  
26 Section 14-202(n)  
27 Annotated Code of Maryland  
28 (1993 Replacement Volume and 1996 Supplement)

29 BY repealing and reenacting, with amendments,  
30 Article 45A - Industrial Development  
31 Section 2(a) and (b)  
32 Annotated Code of Maryland  
33 (1994 Replacement Volume and 1996 Supplement)

34 BY repealing and reenacting, with amendments,  
35 Article 83A - Department of Business and Economic Development  
36 Section 5-713  
37 Annotated Code of Maryland

3

1 (1995 Replacement Volume and 1996 Supplement)

2 BY repealing and reenacting, with amendments,  
3 Article 88B - Department of State Police  
4 Section 66(a)(4)  
5 Annotated Code of Maryland  
6 (1995 Replacement Volume and 1996 Supplement)

7 BY repealing and reenacting, with amendments,  
8 Article - Education  
9 Section 5-202(a)(8)  
10 Annotated Code of Maryland  
11 (1997 Replacement Volume)

12 BY repealing and reenacting, with amendments,  
13 Article - Transportation  
14 Section 5-419(b)  
15 Annotated Code of Maryland  
16 (1993 Replacement Volume and 1996 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 1-101.

21 (b) "Assess" means:

22 (1) for real property, to determine [the product of] the phased-in full cash  
23 value [multiplied by the assessment percentage or other applicable factor as provided in  
24 § 8-103(c) of this article] OR USE VALUE to which the property tax rate may be applied;  
25 and

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

28 (c) "Assessment" means:

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

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

33 1-403.

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

4

- 1 (1) a summary of the property owner's rights provided in this subtitle;
- 2 (2) for the current and the next taxable year[:
  - 3 (i)] the new statewide value as defined in § 8-103 of this article;
  - 4 [(ii) the assessment percentage used for real property; and
  - 5 (iii) the new statewide assessable base as defined in § 8-103 of this
  - 6 article;] and
- 7 (3) information on the availability of State property tax credits, including
- 8 the homestead property tax credit, the homeowners property tax credit, and the renters
- 9 tax credit.

10 6-302.

11 (b) (1) Except as provided in subsection (c) of this section, §§ 6-305 and 6-306

12 of this subtitle and § 6-203 of this title[.];

13 (I) there shall be a single county property tax rate for all REAL

14 property subject to county property tax EXCEPT FOR OPERATING REAL PROPERTY

15 DESCRIBED IN § 8-109(C) OF THIS ARTICLE; AND

16 (II) THE COUNTY TAX RATE APPLICABLE TO PERSONAL PROPERTY

17 AND THE OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS ARTICLE

18 FOR TAXABLE YEARS BEGINNING AFTER JUNE 30, 1998 SHALL BE 2.5 TIMES THE RATE

19 FOR REAL PROPERTY.

20 (2) Paragraph (1) of this subsection does not affect a special rate prevailing

21 in a taxing district or part of a county.

22 6-303.

23 (c) (1) Except as provided in subsection (a)(2) of this section and § 6-305 of

24 this subtitle[.];

25 (I) there shall be a single municipal corporation property tax rate for

26 all REAL property subject to municipal corporation property tax EXCEPT FOR

27 OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS ARTICLE; AND

28 (II) THE MUNICIPAL TAX RATE APPLICABLE TO PERSONAL

29 PROPERTY AND THE OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS

30 ARTICLE FOR TAXABLE YEARS BEGINNING AFTER JUNE 30, 1998 SHALL BE 2.5 TIMES

31 THE RATE FOR REAL PROPERTY.

32 (2) Paragraph (1) of this subsection does not affect a special rate prevailing

33 in a taxing district or part of a municipal corporation.

34 7-207.

35 (b) Except as provided in subsection (d) of this section, a dwelling house is

36 exempt from property tax to the extent of [\$6,000] \$15,000 of its assessment if the

37 dwelling house is owned by:

5

1 (1) a blind individual; or

2 (2) a surviving spouse.

3 8-103.

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

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

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

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

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

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

19 (5) "3-year cycle" means a continuous series of 3 calendar year periods  
20 beginning for each period with the 1st calendar year after the calendar year in which a  
21 physical inspection of real property is made under § 8-104(b) of this subtitle.

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

23 (1)] determine the new statewide value[; and

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

25 (c) (1) Except as provided in this subsection, the assessment of real property is  
26 [40% of] its phased in value.

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

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

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

33 8-108.

34 (a) The Department shall annually value the operating unit of a railroad on the  
35 basis of the value of the operating property of the railroad, by considering:

36 (1) the earning capacity of the operating unit; and

6

1 (2) all other factors relevant to a determination of the value of the operating  
2 unit.

3 (b) The Department shall allocate to this State the value of that part of the  
4 operating unit that is reasonably attributable to the part located in this State.

5 (c) (1) The value allocated to this State shall be divided into an operating real  
6 property value and an operating personal property value, as determined by the  
7 Department.

8 (2) The assessment of operating real property is the value of operating real  
9 property[, adjusted by § 8-103(c) of this title, less:

10 (i) the assessment of operating land; and

11 (ii)] LESS the assessment of operating real property, if any, that is  
12 exempt by law from property tax.

13 (3) The assessment of operating personal property is the value of operating  
14 personal property, less the assessment of operating personal property, if any, that is  
15 exempt by law from property tax.

16 (4) Operating land of a railroad is valued and assessed [as the land adjacent  
17 to the railroad's operating land is valued and assessed] BY THE DEPARTMENT AS PART  
18 OF THE OPERATING UNIT AND IS NOT VALUED AND ASSESSED BY THE SUPERVISOR.

19 (5) [Except for the assessment of operating land, returns] RETURNS,  
20 notices, and appeals of operating property assessments shall be administered pursuant to  
21 the sections of this article governing personal property assessment.

22 (d) (1) If operating property is located permanently in more than 1 county or  
23 municipal corporation, the Department shall apportion the assessment of that operating  
24 property among the counties and municipal corporations where the operating property is  
25 located.

26 (2) If operating property is not located permanently in a county or a  
27 municipal corporation, the Department shall apportion the assessment of that operating  
28 property among the counties and municipal corporations on the basis of the ratio of the  
29 all track mileage, excluding trackage rights, of the railroad operated in each county and  
30 any municipal corporation, to the total of all track mileage, excluding trackage rights,  
31 operated in this State.

32 (e) The Department may adopt regulations to carry out the provisions of this  
33 section.

34 8-109.

35 (a) The Department shall annually value the operating unit of a public utility on  
36 the basis of the value of the operating property of the public utility, by considering:

37 (1) the earning capacity of the operating unit; and

38 (2) all other factors relevant to a determination of value of the operating  
39 unit.

7

1 (b) The Department shall allocate to this State the value of that part of the  
2 operating unit that is reasonably attributable to the part located in this State.

3 (c) (1) From the value allocated to this State under subsection (b) of this  
4 section, the Department shall deduct:

5 (i) [the assessment of operating land;

6 (ii)] the fair average value of fuel that represents the percentage  
7 reduction or exemption authorized by §§ 7-108, 7-222, and 7-226 of this article; and

8 [(iii)] (II) the assessment of operating property, if any, that is exempt  
9 by law from property tax.

10 (2) (i) The value remaining after making the deductions shall be divided  
11 into an operating real property value and an operating personal property value, as  
12 determined by the Department.

13 (ii) the value of operating real property is the assessment of operating  
14 real property of a public utility.

15 (iii) the value of operating personal property is the assessment of  
16 operating personal property of a public utility.

17 (3) Operating land of a public utility is valued and assessed [as the land  
18 adjacent to the public utility's land is valued and assessed] BY THE DEPARTMENT AS  
19 PART OF THE OPERATING UNIT AND IS NOT VALUED AND ASSESSED BY THE  
20 SUPERVISOR.

21 (4) The provisions of this subsection are not intended to alter the law as  
22 codified in former Article 81 of the Code that was in effect as of January 31, 1986.

23 (5) [Except for the assessment of operating land, returns] RETURNS,  
24 notices, and appeals of operating property assessments shall be administered pursuant to  
25 the sections of this article governing personal property assessments.

26 (d) (1) For operating real property of a domestic public utility, the Department  
27 shall apportion the assessment of that operating property among the counties and  
28 municipal corporations where the operating property is located.

29 (2) For operating personal property of a domestic public utility placed into  
30 service before January 1, 1968, the Department shall apportion the assessment of that  
31 operating property on the basis of the ownership of shares of stock, among the counties  
32 and municipal corporations where the owners of the shares of stock reside, or if an owner  
33 is a nonresident of this State, to the county and any municipal corporation, where the  
34 principal office of a domestic corporation is located. The equitable owner of shares held  
35 in trust by a resident trustee shall be deemed the owner of the shares and the residence  
36 determined as of the date of finality.

37 (3) For operating personal property of a domestic public utility placed into  
38 service after December 31, 1967, the Department shall apportion the assessment of that  
39 operating property among the counties and municipal corporations, where the operating  
40 property is located.

8

1 (4) For operating property of a foreign public utility, the Department shall  
2 apportion the assessment of that operating property among the counties and municipal  
3 corporations where the operating property is located.

4 (e) If there is only 1 class of stock, the allocation of the operating personal  
5 property assessment under subsection (d)(2) of this section is based on the per share  
6 value attributed to each share that is determined by dividing the assessment by the  
7 number of outstanding shares of stock.

8 (f) If there is more than 1 class of stock, the allocation of the operating personal  
9 property assessment under subsection (d)(2) of this section is made by:

10 (1) multiplying the total assessment of all operating personal property to be  
11 allocated by the percentage of value that each class of stock bears to the total value of all  
12 classes of stock; and

13 (2) then dividing the product determined for each class in item (1) of this  
14 subsection by the number of outstanding shares of stock in that class to produce the  
15 assessment allocated to each share of stock.

16 (g) The Department may adopt regulations to carry out the provisions of this  
17 section.

18 8-209.

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

21 8-211.

22 (j) If the assessment under subsection (i)(1)(ii) through (iv) of this section is  
23 greater than the VALUE USED TO DETERMINE THE assessment under subsection (h) of  
24 this section, the difference between the 2 [assessments] VALUATIONS is computed in  
25 approximately equal annual steps that cover the number of taxable years between the 2  
26 [assessments] VALUATIONS, and the agreement holder owes property tax for each  
27 taxable year payable at the property tax rates applicable for each taxable year.

28 8-224.

29 (b) (1) If a part of any land that meets the requirements of § 8-221 of this  
30 subtitle is rezoned at the request of the owner to a zoning classification that does not  
31 meet the requirements of § 8-221 of this subtitle, the assessment of that part under §  
32 8-222 of this subtitle shall be terminated and the part shall be assessed at the greater  
33 value determined under § 8-223 of this subtitle.

34 (2) When a property is assessed under paragraph (1) of this subsection, a  
35 deferred property tax is due for the amount of the difference, if any, between the  
36 assessment of the land under § 8-222 of this subtitle and the assessment under § 8-223 of  
37 this subtitle for each year in which the assessment was determined under § 8-222 of this  
38 subtitle.



9

1 (3) The total of the deferred property tax due may not exceed [10% ] 4% of  
2 the assessment under § 8-223 of this subtitle in effect at the time of rezoning under  
3 paragraph (1) of this subsection.

4 (4) The proceeds of the deferred property tax are collected and distributed  
5 as provided by Title 13 of this article.

6 8-233.

7 (a) In this section, "change" includes an improvement or an addition.

8 (b) Subject to the provisions of this section, a change to a building may not be  
9 assessed to the owner of the building for the period of time that a resident of the building  
10 with a health or medical condition occupies the building if:

11 (1) the building is used as a dwelling; and

12 (2) the change to the building is required for the health or medical  
13 condition of the resident of the building.

14 (c) The owner of the building shall submit to the supervisor:

15 (1) a statement from a licensed physician showing sufficient evidence of  
16 medical necessity or a substantial physical inconvenience of the resident; and

17 (2) annually an affirmation that the resident lives in the building.

18 (d) The assessment of the changes exempted under this section may not exceed  
19 [10%] 4% of the total assessment of the real property on which the building is located.

20 (e) The Department shall adopt regulations to provide:

21 (1) criteria to determine what is sufficient evidence of a health or medical  
22 condition;

23 (2) the form of the annual affirmation of residence; and

24 (3) criteria to determine what changes are required for the health or  
25 medical condition.

26 8-401.

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

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

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

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

31 [(4)] (2) the amount of the proposed value including a statement that the  
32 total amount of the proposed value is the value for purposes of appeal;

33 [(5)] (3) the amount of the proposed value that will be the basis for the  
34 assessment in each year of the 3-year cycle;

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

10

1 (7)] (4) a statement:

2 (i) indicating the right to appeal; and

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

5 [(8)] (5) a statement that valuation records are available as provided by §  
6 14-201 of this article.

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

9 (1) the amount of the current value;

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

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

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

14 (5) the portion of the assessment subject to State taxation;

15 (6)] (4) a statement:

16 (i) indicating the right of appeal; and

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

19 [(7)] (5) a statement that valuation records are available as provided by §  
20 14-201 of this article.

21 8-422.

22 FOR THE PURPOSE OF CONSTRUCTION OF ANY STATE OR LOCAL LAW, AN  
23 ASSESSMENT OF REAL PROPERTY FOR A TAXABLE YEAR BEGINNING AFTER JUNE 30,  
24 1998 THAT IS COMPARED TO AN ASSESSMENT THAT IS EFFECTIVE ON OR BEFORE  
25 SEPTEMBER 30, 1997, SHALL BE COMPUTED SO THAT:

26 (1) THE TWO ASSESSMENTS ARE COMPARED AT THE SAME PERCENT OF  
27 VALUE, AND ANY TAX RATE APPLIED TO THE ASSESSMENTS IS ADJUSTED  
28 PROPORTIONATELY, IF NECESSARY; AND

29 (2) THERE IS NO CHANGE IN THE AMOUNT OF TAX DUE, TAX RELIEF  
30 AUTHORIZED, COMPUTATION OF ASSESSMENT RATIO, OR OTHER COMPUTATION  
31 BASED ON ASSESSMENTS SOLELY AS A RESULT OF THE CHANGE IN THE METHOD OF  
32 COMPUTING ASSESSMENTS EFFECTIVE OCTOBER 1, 1997.

33 9-103.

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

35 (2) "Base year" means the taxable year immediately before the taxable year  
36 in which a property tax credit under this section is to be granted.

11

1 (3) (i) "Base year [assessment] VALUE" means THE VALUE OF THE  
2 PROPERTY USED TO DETERMINE the assessment on which the property tax on real  
3 property was imposed for the base year.

4 (ii) "Base year [assessment] VALUE" does not include any new real  
5 property that was first assessed in the base year.

6 (4) (i) "Business entity" means a person who operates or conducts a trade  
7 or business.

8 (ii) "Business entity" includes a person who owns, operates, develops,  
9 constructs, or rehabilitates real property, if the real property:

10 1. is intended for use primarily as single or multifamily  
11 residential property located in the enterprise zone; and

12 2. is partially devoted to a nonresidential use.

13 (5) "Eligible assessment" means the difference between the base year  
14 [assessment] VALUE and the actual [assessment] VALUE as determined by the  
15 Department for the applicable taxable year in which the tax credit under this section is to  
16 be granted.

17 (6) "Qualified property" means real property that is:

18 (i) not used for residential purposes;

19 (ii) used in a trade or business by a business entity that meets the  
20 requirements of Article 83A, § 5-404 of the Code; and

21 (iii) located in an enterprise zone that is designated under Article 83A,  
22 § 5-402 of the Code.

23 (b) The governing body of a county or of a municipal corporation shall grant a tax  
24 credit under this section against the property tax imposed on the eligible assessment of  
25 qualified property.

26 (c) Unless the county in which a municipal corporation is located agrees to the  
27 designation of an enterprise zone in the municipal corporation, qualified property in the  
28 municipal corporation may not receive a tax credit against county property tax.

29 (d) (1) The appropriate governing body shall calculate the amount of the tax  
30 credit under this section equal to a percentage of the amount of property tax imposed on  
31 the eligible assessment of the qualified property, as follows:

32 (i) 80% in each of the 1st 5 taxable years following the calendar year  
33 in which the property initially becomes a qualified property;

34 (ii) 70% in the 6th taxable year;

35 (iii) 60% in the 7th taxable year;

36 (iv) 50% in the 8th taxable year;

37 (v) 40% in the 9th taxable year; and

12

1 (vi) 30% in the 10th taxable year.

2 (2) The Department shall allocate the eligible assessment to the  
3 nonresidential part of the qualified property at the same percentage as the square footage  
4 of the nonresidential part is to the total square footage of the building.

5 (e) (1) A tax credit under this section is available to a qualified property for no  
6 more than 10 consecutive years beginning with the taxable year following the calendar  
7 year in which the real property initially becomes a qualified property.

8 (2) Even if the designation of an enterprise zone expires, the tax credit  
9 under this section continues to be available to a qualified property.

10 (3) State property tax imposed on real property is not affected by this  
11 section.

12 (f) When an enterprise zone is designated by the Secretary of the Department of  
13 Business and Economic Development, the appropriate governing body shall certify to the  
14 Department of Assessments and Taxation:

15 (1) the real properties in the enterprise zone that are qualified properties  
16 for each taxable year for which the property tax credit under this section is to be granted;  
17 and

18 (2) the date that the real properties became qualified properties.

19 (g) Before property tax bills are sent, the Department of Assessments and  
20 Taxation shall submit to the appropriate governing body a list of:

21 (1) each qualified property;

22 (2) the amount of the base year [assessment] VALUE for each qualified  
23 property; and

24 (3) the amount of the eligible assessment for each qualified property.

25 (h) As provided in the State budget, the State shall remit to each county or  
26 municipal corporation an amount equal to one-half of the funds that would have been  
27 collected if the property tax credit under this section had not been granted.

28 (i) (1) Quarterly or more frequently, the county or municipal corporation shall  
29 submit a request to the Department of Assessments and Taxation for the amount  
30 required by subsection (h) of this section.

31 (2) Within 5 working days after the Department of Assessments and  
32 Taxation receives the request from the county or municipal corporation, the Department  
33 shall certify to the Comptroller the reimbursement due to each county or municipal  
34 corporation.

35 (3) Within 5 working days after the Comptroller receives the certification  
36 from the Department, the Comptroller shall reimburse each county or municipal  
37 corporation.

13

1 9-104.

2 (a) (13) "Total real property tax" means the product of the sum of all property  
3 tax rates on real property, including special district tax rates, for the taxable year on a  
4 dwelling, multiplied by the lesser of the assessed value of the dwelling or [\$60,000]  
5 \$150,000; and then reduced by any property tax credit granted under § 9-105 of this  
6 subtitle.

7 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
8 read as follows:

9 **Article 24 - Political Subdivisions - Miscellaneous Provisions**

10 9-101.

11 (a) A county or municipal corporation that avails itself of the provisions of this  
12 subtitle may impose a tax not exceeding [8] 3. 2 cents on each \$100 of assessable REAL  
13 property subject to the property tax in that county or municipal corporation OR 8 CENTS  
14 ON EACH \$100 OF ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL  
15 PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE, to be  
16 collected according to law.

17 9-109.

18 Each county or municipal corporation that avails itself of the provisions of this  
19 subtitle by borrowing money or incurring indebtedness on its individual faith and credit  
20 shall levy a tax not exceeding [8] 3.2 cents on each \$100 of assessable REAL property  
21 subject to the property tax of that county or municipal corporation OR 8 CENTS ON EACH  
22 \$100 OF ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL PROPERTY  
23 DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE, to be collected according  
24 to law, in an amount that will repay in full with interest the money or indebtedness  
25 incurred under this subtitle by the county or municipal corporation, within the period of  
26 2 years after the indebtedness was incurred.

27 **Article 25A - Chartered Counties of Maryland**

28 5.

29 The following enumerated express powers are granted to and conferred upon any  
30 county or counties which hereafter form a charter under the provisions of Article XI-A of  
31 the Constitution, that is to say:

32 (P) Bonds or Evidences of Indebtedness

33 (1) To provide for the borrowing of moneys on the faith and credit of the county  
34 and for the issuance of bonds or other evidences of indebtedness therefor in such sums,  
35 for such purposes, on such terms and payable at such times, and from such taxes or other  
36 sources as may have been or may be provided by or pursuant to local law, subject to any  
37 limitations imposed by the charter adopted by the county and to the following limitations:

38 (i) The aggregate amount of bonds and other evidences of indebtedness  
39 outstanding at any one time shall not exceed [15 per centum upon] A TOTAL OF 6  
40 PERCENT OF the assessable basis OF REAL PROPERTY of the county AND 15 PERCENT

14

1 OF THE COUNTY'S ASSESSABLE BASIS OF PERSONAL PROPERTY AND OPERATING  
 2 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE OF THE  
 3 COUNTY, except that (a) tax anticipation notes or other evidences of indebtedness having  
 4 a maturity not in excess of 12 months, (b) bonds or other evidences of indebtedness issued  
 5 or guaranteed by the county payable primarily or exclusively from taxes levied in or on, or  
 6 other revenues of, special taxing areas or districts heretofore or hereafter established by  
 7 law, and (c) bonds or other evidences of indebtedness issued for self-liquidating and  
 8 other projects payable primarily or exclusively from the proceeds of assessments or  
 9 charges for special benefits or services, shall not be subject to, or be included as bonds or  
 10 evidences of indebtedness in computing or applying, [said 15 per centum] THE 6  
 11 PERCENT limitation.

## 12 Article 28 - Maryland-National Capital Park and Planning Commission

13 3-103.

14 (a) All of the area of Montgomery County not included within the  
 15 Maryland-Washington Metropolitan District as it is now or may hereafter be defined,  
 16 with the exception of the area now or hereafter located within the boundaries of  
 17 municipal corporations as defined in Article 23A, § 9 of the Code, is hereby added to the  
 18 Maryland-Washington Metropolitan District and is designated the "Upper Montgomery  
 19 County Metropolitan District". For purposes of taxation, this shall constitute a special  
 20 taxing district in which the Montgomery County Council is authorized to levy annually a  
 21 tax of not to exceed [five] 2 cents on each \$100 of assessable REAL property within the  
 22 Upper Montgomery County Metropolitan District AND 5 CENTS ON EACH \$100 OF  
 23 ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED  
 24 IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE WITHIN THE UPPER MONTGOMERY  
 25 COUNTY METROPOLITAN DISTRICT, which tax shall be collected and paid over to the  
 26 Maryland-National Capital Park and Planning Commission and shall be expended by the  
 27 Commission for the acquisition, maintenance and development of parks and playgrounds  
 28 in the Upper Montgomery County Metropolitan District, provided that no part of the  
 29 revenue derived from such tax shall be expended for the amortization of bonds or other  
 30 certificates of indebtedness.

31 4-105.

32 (f) Each supplementary agreement shall first be submitted for approval to the  
 33 County Council of Montgomery County or the County Commissioners of Prince George's  
 34 County, depending upon the location of the unit or units of park land involved. The  
 35 respective county shall approve the agreement, if it finds that (1) the boundaries of the  
 36 unit of land to be acquired pursuant to the supplementary agreement are within the  
 37 general park plan adopted by the contract or commitment to which the agreement is  
 38 supplementary; and (2) the Commission will be able to meet the obligations to be  
 39 incurred by it in the acquisition, including the payment of interest on the obligations,  
 40 from the proceeds of the [seven cent (7c)]tax authorized and directed to be levied in  
 41 that portion of the metropolitan district lying within Montgomery County or from the  
 42 proceeds of the [five cent (5c)]tax authorized and directed to be levied in that portion of  
 43 the metropolitan district lying within Prince George's County. In determining whether the  
 44 Commission will be able to meet the obligation from the proceeds of the taxes, the  
 45 County Council or County Commissioners shall compute the proceeds upon the

15

1 assessable basis of those portions of the metropolitan district lying within Montgomery  
2 and Prince George's Counties, respectively, for the fiscal year in which approval is sought  
3 and upon the assumption that the entire tax levied will be collected so long as any of the  
4 obligations to be incurred pursuant to the supplementary agreement are outstanding and  
5 unpaid.

6 6-106.

7 (a) Montgomery County shall levy against all of the property within that portion  
8 of the metropolitan district within Montgomery County assessed for the purposes of  
9 county taxation annually a tax of [nine] 3.6 cents on each \$100 of assessed valuation OF  
10 REAL PROPERTY AND 9 CENTS ON EACH \$100 OF ASSESSED VALUATION OF  
11 PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF  
12 THE TAX - PROPERTY ARTICLE. The tax shall be levied notwithstanding the fact that no  
13 interest may be due on any bonds and/or notwithstanding the fact that no bonds have  
14 been issued under this title. Every 60 days the tax so levied and collected to date by the  
15 county shall be remitted to the Commission. The proceeds of the [nine cents]tax, after  
16 providing for debt service on bonds issued pursuant to §§ 6-101 and 6-105 of this title  
17 may be used by the Commission for policing the several parks or other areas under its  
18 jurisdiction and/or for the purpose of acquisition, development, beautification, or  
19 maintenance of parks and/or other areas and/or the establishment therein of playground  
20 and recreational facilities as the Commission determines. In addition to the foregoing  
21 [nine cents] mandatory tax, Montgomery County may levy against all property within  
22 that portion of the metropolitan district within Montgomery County assessed for the  
23 purposes of county taxation annually a tax of [two] 0.8 cents on each \$100 of assessed  
24 valuation OF REAL PROPERTY AND 2 CENTS ON EACH \$100 OF ASSESSED VALUATION  
25 OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C)  
26 OF THE TAX - PROPERTY ARTICLE; this additional [two cents] tax shall be in lieu of,  
27 and in complete satisfaction of, any and all obligations of the county to pay for any part  
28 of the maintenance of the Commission's park system pursuant to § 8 of Chapter 761 of  
29 the Laws of Maryland, 1953, and all agreements executed pursuant to the terms of that  
30 law.

31 (b) Prince George's County may levy, collect and pay over to the Commission any  
32 or all of the taxes authorized in subsection (a) in like manner and upon the same basis as  
33 set forth in subsection (a), in which event all the provisions of subsection (a) apply equally  
34 to both counties.

35 (c) Of the tax which Prince George's County is authorized to levy in this title, the  
36 county shall levy in each fiscal year at least [ten] 4 cents on each \$100 of assessed value  
37 of all REAL property AND AT LEAST 10 CENTS ON EACH \$100 ASSESSED VALUE OF ALL  
38 PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF  
39 THE TAX - PROPERTY ARTICLE, subject to assessment and taxation by the county within  
40 that portion of the metropolitan district lying within Prince George's County. The tax  
41 shall be levied and paid over to the Commission in the manner prescribed elsewhere in  
42 this title. The proceeds of the collection of the tax shall be applied primarily to the  
43 payment of the principal and interest of any bonds heretofore or hereafter issued by the  
44 Commission for the acquisition of park lands in that portion of the metropolitan district  
45 lying within Prince George's County pursuant to the authority of this title and within the  
46 limitations on indebtedness prescribed in this title. However, the proceeds of the tax shall

16

1 also be paid to the Commission notwithstanding the fact that no principal or interest  
2 payments may be due with respect to any bonds and notwithstanding the fact that no  
3 bonds may be issued or outstanding in any one fiscal year. It is the intent of this  
4 subsection to provide the Commission with funds to finance the acquisition of park lands  
5 within that portion of the metropolitan district lying within Prince George's County,  
6 either from current revenues or by the issue of bonds, and furthermore, to provide the  
7 Commission with funds necessary for the maintenance, operation, and development of  
8 park land so acquired.

9 (d) The County Council of Montgomery County and the County Council of Prince  
10 George's County may levy an ad valorem tax in Prince George's County and in  
11 Montgomery County annually, in addition to all other taxes levied, for the benefit of and  
12 on behalf of the Commission, upon all the property within the metropolitan district  
13 assessed for county taxation purposes, as the metropolitan district is defined at the time  
14 of the levy. Each county is authorized to pay the aggregate amount collected by the tax to  
15 the Commission as they pay other funds collected by taxation for the benefit of the  
16 Commission. The proceeds of the tax shall be expended by the Commission for the  
17 acquisition, maintenance, development, and operation of the park systems in the  
18 counties, as well as the debt service required by its outstanding bonds or bonds issued in  
19 the future. The Commission shall expend or disburse that proportion of tax collected  
20 from Montgomery County within Montgomery County and that proportion collected from  
21 Prince George's County within Prince George's County.

22 (e) In each fiscal year beginning July 1, 1970, Prince George's County may levy  
23 against all of the property in Prince George's County assessed for the purposes of county  
24 taxation, annually, a tax for recreation. Every 60 days the tax so levied and collected to  
25 date by the county shall be remitted to the Commission. The proceeds of the tax shall be  
26 used by such Commission to finance its adopted budget for the purpose of regulating,  
27 operating and maintaining recreation functions, programs, facilities and personnel in  
28 Prince George's County as such Commission may determine. A tax of not less than [five]  
29 2 cents on each \$100 of assessed valuation OF REAL PROPERTY AND NOT LESS THAN 5  
30 CENTS ON EACH \$100 OF ASSESSED VALUATION OF PERSONAL PROPERTY AND  
31 OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY  
32 ARTICLE shall be levied for recreation.

33 (f) Taxes authorized under subsections (a), (b), (c), and (d) of this section shall  
34 be levied and collected as county taxes are levied and collected. These taxes shall have the  
35 same priority rights, bear the same interest and penalties, and in every other respect be  
36 treated the same as county taxes.

37 6-107.

38 (a) For the purpose of paying the current operating or administrative expenses of  
39 the Commission, including the cost of the development of the plan of the regional district  
40 or any part of the plan and including the cost of the exercise of the powers and functions  
41 granted to the Commission, there shall be levied annually against all the assessable  
42 property within the regional district by Montgomery and Prince George's Counties,  
43 respectively, a tax of [three] 1.2 cents on each \$100 of assessable REAL property within  
44 the regional district AND 3 CENTS ON EACH \$100 OF ASSESSABLE PERSONAL PROPERTY  
45 AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY



17

1 ARTICLE. Each of the counties in each annual levy, except as hereinafter provided, shall  
2 levy the tax on all property in its county within the regional district, both real and  
3 personal, assessed for county tax purposes. These taxes shall be levied and collected as  
4 county taxes are levied and collected; and they shall have the same priority rights, bear  
5 the same interest and penalties, and in every respect be treated the same as county taxes.  
6 The proceeds of the collection of the tax shall be paid to the Commission and constitute  
7 the administrative fund of the Commission. The expenditures of the Commission for  
8 operating or administrative purposes shall be within the amount of the fund, together  
9 with additional funds appropriated or contributed for these purposes by the two counties,  
10 the General Assembly of Maryland, the United States, or private donors.

11 (b) If by decree of court the provisions of subsection (a) of this section for a  
12 [three cent] tax should be permanently enjoined or otherwise invalidated, so that the  
13 County Council of Montgomery County and the County Council of Prince George's  
14 County can no longer levy and collect the [three cent] tax as provided for in the  
15 subsection, then the repeal of § 5 of Chapter 448 of the Laws of the General Assembly of  
16 Maryland of 1927, by Chapter 714 of the Acts of the General Assembly of 1939, and by  
17 Chapter 992 of the Acts of the General Assembly of 1943, shall terminate; and the repeal  
18 shall be treated as no longer in effect, and § 5 of Chapter 448 of the Acts of 1927 shall be  
19 deemed reenacted and in full force and effect.

20 7-106.

21 (e) For the purposes of this section, in Prince George's County and Montgomery  
22 County, the Commission may establish in its annual budget a continuing land acquisition  
23 revolving fund from which disbursements for the purposes of this section shall be made,  
24 and the Commission may issue and sell serial bonds from time to time in amounts it  
25 deems necessary for this purpose. However, in Prince George's County the County  
26 Council shall approve the Commission's issue and sale of bonds concerning that county.  
27 The total amount of the bonds outstanding at any time may not exceed an amount which  
28 can be redeemed within 30 years from the date of issue by means of a tax of [three] 1.2  
29 cents on each \$100 assessed valuation OF REAL PROPERTY in Prince George's County  
30 and Montgomery County AND 3 CENTS ON EACH \$100 ASSESSED VALUATION OF  
31 PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF  
32 THE TAX - PROPERTY ARTICLE; in making such calculation, assumptions may be made  
33 as set forth in § 6-101(b) of this article. The provisions relating to form, interest rate, sale,  
34 redemption, guarantee, and liability contained in § 6-101 (serial bonds, notes, and other  
35 obligations) shall be equally applicable to bonds issued pursuant to the provisions of this  
36 section.

37 (1) (i) The Montgomery County Council may levy against all of the  
38 property assessed for the purposes of county taxation, annually a tax of not less than [one  
39 cent] 0.4 CENTS or more than [three] 1.2 cents on each \$100 of assessed valuation OF  
40 REAL PROPERTY AND NOT LESS THAN 1 CENT OR MORE THAN 3 CENTS ON EACH \$100  
41 OF ASSESSED VALUATION OF PERSONAL PROPERTY AND OPERATING REAL  
42 PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE. The tax shall  
43 be levied notwithstanding the fact that no interest may be due on the bonds or notes  
44 and/or notwithstanding the fact that no bonds or notes whatever have been issued under  
45 this title.

18

1 (ii) If a tax greater than [one cent] 0.4 CENTS ON REAL PROPERTY  
 2 OR 1 CENT ON PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED  
 3 IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE is levied in any year, then thereafter the  
 4 Montgomery County Council shall continue to levy a tax sufficient to pay the interest on  
 5 the bonds as it becomes due and to pay the principal thereof as they mature, the tax in  
 6 any one year not to exceed the limit heretofore provided. The tax need not be levied to  
 7 the extent that funds are available from the sources to make the payments in any year and  
 8 have been applied to or authorized for payment by the Commission.

9 (iii) Every 60 days the tax so levied and collected to date by the county  
 10 shall be remitted to the Commission. All proceeds from the tax not used for debt service  
 11 on the principal and interest of the bonds may be paid into the revolving fund for the uses  
 12 specified in this section, or for payment of debt service bonds issued under this section.  
 13 None of the provisions in this article relating to unexpended balances apply to the land  
 14 acquisition revolving fund.

15 (2) The Prince George's County Council shall levy an annual amount on all  
 16 property assessed for the purposes of county taxation sufficient to pay the interest on the  
 17 bond as it becomes due and to pay the principal as the bonds mature if the Prince  
 18 George's County Council has approved the issue and sale of these bonds.

19 **Article 29 - Washington Suburban Sanitary District**

20 4-101.

21 (a) (1) For the purpose of providing funds for the design, construction,  
 22 reconstruction, establishment, extension, enlargement, purchase or condemnation of the  
 23 water and sewerage systems in the sanitary district, or in any other areas where extension  
 24 of any of the aforementioned systems may be authorized by law, or for the construction,  
 25 remodeling, enlargement or replacement of any office or operating building or buildings  
 26 required for the administration or operation of any of the systems, including the  
 27 acquisition of land or equipment, the WSSC is authorized and empowered to issue bonds  
 28 of the sanitary district, from time to time, in such amounts as it may deem necessary to  
 29 carry on its work, but the aggregate amount of bonds heretofore or hereafter issued under  
 30 this section which may be outstanding at any time, less the amount held in the joint  
 31 sinking fund account for the payment of the principal of the bonds, shall not exceed [14]  
 32 A TOTAL OF 5.6 percent of the total assessable basis of all REAL property assessed for  
 33 county taxation purposes within the sanitary district AND 14 PERCENT OF THE TOTAL  
 34 ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED  
 35 IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE ASSESSED FOR COUNTY TAXATION  
 36 PURPOSES WITH THE SANITARY DISTRICT; provided, however, that in computing the  
 37 amount of bonds which may be issued under this section, there shall not be included any  
 38 bonds heretofore or hereafter issued for the payment of which the WSSC is required by  
 39 law to fix and collect water service charges at least sufficient to pay the principal and  
 40 interest requirements of such bonds. Bonds hereafter issued under the authority of this  
 41 section shall be serial bonds with the principal of any given issue payable annually,  
 42 commencing not more than 3 years from the date of the bonds. The bonds may be either  
 43 registered or coupon bonds, or registerable as to principal with interest represented by  
 44 coupons and issued in such denomination or denominations as shall be determined by the  
 45 WSSC, shall bear interest as provided in § 4-104 of this title payable semi-annually and

19

1 shall mature not exceeding 40 years from the date of issue, and all bonds of the sanitary  
2 district or of the WSSC, including those heretofore issued, shall be forever exempt from  
3 taxation by the State of Maryland and by the counties and municipalities in the State. Any  
4 bonds hereafter issued by the WSSC in its name or in the name of the sanitary district  
5 may be made redeemable before maturity at the option of the WSSC, at such price or  
6 prices and under such terms and conditions as may be fixed by the WSSC prior to the  
7 issuance of such bonds.

8 6-106.

9 (a) (1) The Montgomery County Council shall levy a direct ad valorem tax on  
10 all property assessed for tax purposes within Montgomery County and municipalities in  
11 the county. With the exception of that portion of the City of Takoma Park in Montgomery  
12 County, the ad valorem tax shall not exceed [1 cent] 0.4 CENTS per \$100 of assessed  
13 valuation OF REAL PROPERTY OR 1 CENT PER \$100 OF ASSESSED VALUATION OF  
14 PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF  
15 THE TAX - PROPERTY ARTICLE. This tax shall be in an amount necessary to pay the  
16 sums required for the maintenance of:

17 (i) Storm drainage systems in that portion of the sanitary district in  
18 Montgomery County and previously maintained by the WSSC; and

19 (ii) On application of a municipality, those storm drainage systems  
20 previously maintained by the municipality.

21 (2) (i) If any municipality in Montgomery County wants to maintain all  
22 existing storm drainage systems in its boundaries, the municipality may notify the County  
23 Council before the date on which the County Council adopts its annual budget and  
24 appropriations resolution.

25 (ii) In that event, all assessable properties in the boundaries of the  
26 municipality shall be exempt from the levy made by the County Council for the future  
27 maintenance of its storm drainage.

28 **Article 41 - Governor - Executive and Administrative Departments**

29 14-202.

30 (n) "Tax increment" means for any tax year the amount by which the assessable  
31 base as of January 1 preceding that tax year exceeds the original taxable value DIVIDED  
32 BY THE ASSESSMENT RATIO USED TO DETERMINE THE ORIGINAL TAXABLE VALUE.

33 **Article 45A - Industrial Development**

34 2.

35 (a) If any county shall so provide in the ordinance or resolution, declaring a state  
36 of acute unemployment to exist, such county shall be deemed to be authorized and  
37 empowered, from time to time, to issue and sell bonds or other certificates of  
38 indebtedness in connection with the borrowing by it upon its full faith and credit of the  
39 sums necessary to make the grants authorized by § 1 of this article; provided, however,  
40 that the total amount of bonds or other certificates of indebtedness which may be issued  
41 and outstanding at any one time shall not exceed an amount which is equal to [two tenths

20

1 of one percent (.2%)] A TOTAL OF 0.08% of the total assessed valuation of all REAL  
 2 property within such county subject to taxation at the full county tax rate AND 0.2% OF  
 3 THE TOTAL ASSESSED VALUATION OF ALL PERSONAL PROPERTY AND OPERATING  
 4 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE WITHIN  
 5 SUCH COUNTY SUBJECT TO TAXATION AT THE FULL COUNTY TAX RATE.

6 (b) The bonds hereby authorized to be issued shall be known as "industrial  
 7 development bonds" and shall bear interest at a rate not exceeding five and one-half  
 8 percent (5 1/2%), payable semiannually and shall mature serially over a period of thirty  
 9 years, the amount of maturities to be fixed by the governing body of such county. Said  
 10 bonds shall be the general obligation of the county issuing the same and shall be exempt,  
 11 both as to principal and interest, from all forms of taxation imposed by the State, county,  
 12 or municipal authorities within the State of Maryland. The form of the bonds shall be  
 13 such as may be adopted or prescribed by the governing body of the county issuing the  
 14 same. Any certificates of indebtedness, other than bonds authorized hereby, shall bear  
 15 interest at such rate as may be determined by the governing body of the county issuing the  
 16 same and shall mature at such time, or times, not exceeding five years, as may be specified  
 17 by the governing body of such county. Such certificates of indebtedness shall be the  
 18 general obligations of the county issuing the same and shall be exempt from taxation to  
 19 the same extent as the bonds authorized hereby. It shall be no defense to a suit for  
 20 collection of the principal of any bond or other certificate of indebtedness, or for any  
 21 interest accrued thereon, that an acute unemployment state did not in fact exist as  
 22 declared in the resolution or ordinance of the county issuing such bond or certificate of  
 23 indebtedness, nor shall it be any defense to any such suit that the amount of bonds or  
 24 other certificates of indebtedness which may be issued and outstanding at any one time  
 25 shall in fact exceed [two tenths of one percentum (.2%)] A TOTAL OF 0.08% of the total  
 26 assessed value of all REAL property within such county subject to taxation at the full  
 27 county tax rate AND 0.2% OF THE TOTAL ASSESSED VALUE OF ALL PERSONAL  
 28 PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX -  
 29 PROPERTY ARTICLE WITHIN SUCH COUNTY SUBJECT TO TAXATION AT THE FULL  
 30 COUNTY TAX RATE.

### 31 **Article 83A - Department of Business and Economic Development**

32 5-713.

33 Each subdivision is hereby authorized to issue general obligation bonds or otherwise  
 34 borrow money in an amount not exceeding [one half of one percent] A TOTAL OF 0.02  
 35 PERCENT of the total assessed value of REAL property located within the subdivision  
 36 subject to taxation at the full tax rate of the subdivision AND 0.5 PERCENT OF THE TOTAL  
 37 ASSESSED VALUE OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY  
 38 DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE WITHIN THE  
 39 SUBDIVISION SUBJECT TO TAXATION AT THE FULL TAX RATE OF THE SUBDIVISION,  
 40 in order to obtain funds to finance its share of project costs for projects in which the State  
 41 participates under this subtitle.

21

1 **Article 88B - Department of State Police**

2 66.

3 (a) (4) "Adjusted assessed valuation of real property" [shall be as reported by  
 4 the State Department of Assessments and Taxation as of July 1 of the second fiscal year  
 5 preceding the fiscal year for which the calculation of State aid is to be made, plus 50% of  
 6 new property assessed between July 1 and December 31 of such second preceding fiscal  
 7 year. Thus, State aid for the first year of this grant shall be based on assessed valuation as  
 8 of July 1, 1966 plus 50% of new property assessed between July 1, 1966 and December 31,  
 9 1966; and State aid for succeeding years on corresponding succeeding assessments]  
 10 MEANS, FOR FISCAL YEAR 1999 AND EACH FISCAL YEAR THEREAFTER, 40% OF THE  
 11 ASSESSED VALUATION OF REAL PROPERTY REPORTED BY THE STATE DEPARTMENT  
 12 OF ASSESSMENTS AND TAXATION AS OF JULY 1 OF THE SECOND FISCAL YEAR  
 13 PRECEDING THE FISCAL YEAR FOR WHICH THE CALCULATION OF STATE AID IS TO  
 14 BE MADE, PLUS 20% OF NEW PROPERTY ASSESSED BETWEEN JULY 1 AND DECEMBER  
 15 31 OF THE SECOND PRECEDING FISCAL YEAR . "Real property" shall have the meaning,  
 16 and assessed valuation shall be subject to the adjustments for under- or over-assessment,  
 17 as presently provided by § 5-202 of the Education Article.

18 **Article - Education**

19 5-202.

20 (a) (8) "Wealth" means the sum of:

21 (i) Net taxable income;

22 (ii) [The] 40 PERCENT OF THE assessed valuation of real property;

23 and

24 (iii) 50 percent of assessed value of personal property.

25 **Article - Transportation**

26 5-419.

27 (b) (1) The principal of and interest on the bonds issued by a political  
 28 subdivision under this section shall be secured by the full faith and credit of the political  
 29 subdivision. For the payment of the principal of and interest on the bonds as they become  
 30 due and payable, the political subdivision annually shall levy a general tax on all of the  
 31 assessable property subject to taxation in its jurisdiction.

32 (2) A political subdivision may not issue any bonds under this section in an  
 33 amount that, together with the aggregate amount of all other bonded indebtedness of the  
 34 political subdivision, exceeds [10] A TOTAL OF 4 percent of the total assessed valuation  
 35 of the REAL property located in the political subdivision AND 10 PERCENT OF THE  
 36 TOTAL ASSESSED VALUATION OF PERSONAL PROPERTY AND OPERATING REAL  
 37 PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE LOCATED IN  
 38 THE POLITICAL SUBDIVISION.

39 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 40 read as follows:

22

1 **Article - Tax - Property**

2 2-205.

3 (a) In this section, "taxing authority" means:

4 (1) the county council or board of county commissioners of a county;

5 (2) the City Council of Baltimore City; and

6 (3) the governing body of a municipal corporation.

7 (b) (1) On or before February 14 of each year, the Department shall send each  
8 taxing authority:

9 (i) an estimate of the total assessment of all REAL property in the  
10 county or municipal corporation for the next taxable year; and

11 (ii) an estimate of the total assessment:

12 1. of all new construction and improvements in the county or  
13 municipal corporation not assessed since the last date of finality; and

14 2. of all REAL property in the county or municipal corporation  
15 that may be deleted from the assessment records.

16 (2) The Department shall notify each taxing authority of any change in the  
17 estimated assessment of all REAL property in the county or the municipal corporation  
18 that results from actions of a property tax assessment appeal board or the Maryland Tax  
19 Court.

20 [(d)] (C) (1) The Department shall notify each taxing authority of the constant  
21 yield tax rate that will provide the same property tax revenue that is provided by the  
22 REAL PROPERTY tax rate that is in effect for the current taxable year.

23 (2) In calculating a constant yield tax rate for a taxable year, the  
24 Department shall use an estimate of the total assessment of all REAL property for the  
25 next taxable year exclusive of REAL property that appears for the 1st time on the  
26 assessment records.

27 (3) On or before May 1 of each year, the Department may amend a constant  
28 yield tax rate but only:

29 (i) when directed to make a change by an enactment of the General  
30 Assembly; or

31 (ii) to correct an error in the calculation of the constant yield tax rate.

32 [(e)] (D) The Director shall exempt a municipal corporation from the constant  
33 yield tax rate provisions of § 6-308 of this article if a difference of less than \$10,000 exists  
34 between:

35 (1) the property tax revenue that is provided by applying the municipal  
36 corporation REAL PROPERTY tax rate for the preceding taxable year to the estimated  
37 assessment of all REAL property in the municipal corporation; and

23

1 (2) the property tax revenue that is provided by applying the constant yield  
2 tax rate for the next taxable year to the estimated assessment of all REAL property in the  
3 municipal corporation.

4 [(f)] (E) (1) The Director shall report to the Attorney General any taxing  
5 authority that appears to have violated the requirements of § 6-308 of this article.

6 (2) The Attorney General shall investigate the report forwarded by the  
7 Director. If the Attorney General finds that a taxing authority violated the requirements  
8 of § 6-308 of this article, the Attorney General shall institute appropriate legal action to  
9 effect compliance with the requirements of § 6-308 of this article.

10 (3) If a court finds that a taxing authority violated § 6-308 of this [subtitle]  
11 ARTICLE, the REAL property tax rate of that taxing authority shall be the constant yield  
12 tax rate.

13 [(g)] (F) A taxing authority that does not exceed the constant yield tax rate shall  
14 notify the Department within the time set by the Director.

15 6-308.

16 (a) In this section, "taxing authority" means:

17 (1) the county council or board of county commissioners;

18 (2) the City Council of Baltimore City; and

19 (3) the governing body of a municipal corporation.

20 (b) (1) Unless the requirements of this section are met, a taxing authority may  
21 not set a county or municipal corporation REAL property tax rate that exceeds the  
22 constant yield tax rate in any taxable year excluding revenue from REAL property  
23 appearing for the 1st time on the assessment roll.

24 (2) A taxing authority does not meet the requirements of this section until it  
25 provides to the Department:

26 (i) on or before 15 days after the date of the advertisement required  
27 by this section a copy of the entire newspaper page that carried the meeting notice  
28 required by this section; or

29 (ii) the evidence that the Department requires of the mailing of the  
30 notices described in subsection (c) of this section.

31 (c) If a taxing authority intends to set a county or municipal corporation REAL  
32 property tax rate that exceeds the constant yield tax rate, it shall advertise to the public  
33 by:

34 (1) placing an advertisement that satisfies the Department and meets the  
35 requirements of this section in a newspaper of general circulation in the jurisdiction of  
36 the taxing authority; or

37 (2) mailing a notice that meets the requirements of this section to each  
38 property taxpayer who resides in the jurisdiction.

24

1 (d) (1) The advertisement shall be at least 1/4 of a page in size for counties and  
2 1/8 of a page in size for municipal corporations.

3 (2) The type that is used in the advertisement shall be:

4 (i) at least 18 point for counties; and

5 (ii) at least 12 point for municipal corporations.

6 (3) The advertisement may not be placed with legal notices or classified  
7 advertisements.

8 (4) The headline for the advertisement shall be in bold print, with all letters  
9 capitalized.

10 (5) The text of the advertisement, other than the headline, shall be in upper  
11 and lower case letters.

12 (e) The notice or advertisement shall be in the following form:

13 "..... (NAME OF JURISDICTION) NOTICE  
14 OF A PROPOSED  
15 REAL PROPERTY TAX INCREASE

16 The.....(name of taxing authority) of.....(name of jurisdiction) proposes to increase  
17 REAL property taxes.

18 1. For the tax year beginning July 1,....., the estimated REAL PROPERTY  
19 assessable base will increase by .....%, from \$..... to \$..... .

20 2. If ..... (name of jurisdiction) maintains the current tax rate of \$..... per \$100 of  
21 assessment, REAL property tax revenues will increase by .....% resulting in \$..... of new  
22 REAL property tax revenues.

23 3. In order to fully offset the effect of increasing assessments, the REAL property  
24 tax rate should be reduced to \$....., the constant yield tax rate.

25 4. The ..... (county, city, town, etc.) is considering not reducing its REAL  
26 property tax rate enough to fully offset increasing assessments. The ..... (county, city,  
27 town, etc.) proposes to adopt a REAL PROPERTY tax rate of \$..... per \$100 of assessment.  
28 This tax rate is .....% higher than the constant yield tax rate and will generate \$..... in  
29 additional property tax revenues.

30 A public hearing on the proposed REAL property tax RATE increase will be held at  
31 ..... (time) on ..... (date) at ..... (location).

32 The hearing is open to the public, and public testimony is encouraged.

33 Persons with questions regarding this hearing may call ..... (phone number) for  
34 further information."

35 (f) (1) The meeting on the proposed county or municipal corporation REAL  
36 property tax rate increase shall be held:



25

1 (i) on or after the 7th day and on or before the 21st day after the  
2 notice is published as required by subsection (c) of this section; and

3 (ii) on or before June 17th before the date required by law for  
4 imposition of the REAL property tax.

5 (2) The meeting may coincide with the meeting on the proposed budget of  
6 the taxing authority.

7 (3) In computing periods of time under this subsection all calendar days  
8 shall be counted including Saturdays, Sundays, and holidays.

9 (g) After the meeting, the taxing authority may adopt by law an increase in the  
10 county or municipal corporation REAL property tax rate that exceeds the constant yield  
11 tax rate:

12 (1) on the day of the meeting; or

13 (2) on a later day, if the day, time, and location to consider the increase are  
14 announced at that meeting.

15 (h) The requirements of this section do not apply if a taxing authority:

16 (1) increases the county or municipal corporation REAL property tax rate  
17 above the constant yield tax rate solely because of the reduction in the taxing authority's  
18 REAL PROPERTY assessable base due to the final determination of assessment appeals;  
19 or

20 (2) sets a county or municipal corporation REAL property tax rate that does  
21 not exceed the constant yield tax rate.

22 (i) (1) Annually, a county shall include on the face of a real property tax bill:

23 (i) the county REAL property tax rate and the constant yield tax rate  
24 for the taxable year;

25 (ii) the amount, if any, by which the county REAL property tax rate  
26 exceeds the constant yield tax rate; and

27 (iii) a designation that the property is either the owner's "principal  
28 residence" or "not a principal residence".

29 (2) A county shall also mail with the REAL property tax bill the information  
30 described below in substantially the following form:

31 "Constant Yield Tax Rate

32 1. In the last taxable year the county (or Baltimore City) REAL property tax rate  
33 was....., and the certified assessment of the net assessable REAL property was \$..... . The  
34 assessment multiplied by the rate produced REAL property tax revenues of \$..... .

35 2. For this taxable year the certified assessment of the net assessable REAL  
36 property is \$.... . To produce the same REAL property tax revenues as last year the REAL  
37 PROPERTY tax rate would be .... . This rate is called the constant yield tax rate.

1           3. For this taxable year the actual REAL property tax rate is ....., which is (the  
2 same as) (different from) the constant yield tax rate. (If different, the rate is ..... (more)  
3 (less) than the constant yield tax rate and will produce in REAL property tax revenues  
4 \$..... (more) (less) than would be produced by the constant yield tax rate)".

5           (j) A taxing authority that in good faith has made all reasonable efforts to comply  
6 with the requirements of subsections (b) through (g) of this section and provides  
7 satisfactory evidence to the Department that any lack of compliance with the  
8 requirements was for reasons beyond the taxing authority's control:

9           (1) is deemed to have complied with the requirements; and

10          (2) may set a REAL PROPERTY tax rate that exceeds the constant yield tax  
11 rate.

12          SECTION 4. AND BE IT FURTHER ENACTED, That on or before December 1,  
13 1997, the Department of Assessments and Taxation shall identify any provisions of the  
14 Annotated Code of Maryland or the Code of Public Local Laws that are rendered  
15 inaccurate or obsolete as a result of this Act and, in accordance with § 2-1312 of the State  
16 Government Article, shall submit a report to the General Assembly on its findings with  
17 recommendations for any amendments to the Codes.

18          SECTION 5. AND BE IT FURTHER ENACTED, That:

19          (1) For the taxable year beginning July 1, 1997, each county shall include the  
20 following statement on or with each real property tax bill:

21          "Important Notice to Taxpayers

22          In order to make real property tax bills simpler and easier to understand, the  
23 General Assembly, under Chapter \_\_\_\_\_ of the Acts of 1997, has required that property  
24 tax rates on real property be based on a full cash value assessment. As a result, on  
25 October 1, 1998, your real property tax rates will be reduced to 40% of the rate effective  
26 July 1, 1998. As an example of how this would work for the taxable year beginning July 1,  
27 1997, your county real property tax rate of \$\_\_\_\_\_ per \$100 of assessment would be  
28 \$\_\_\_\_\_ per \$100 of assessment. Your property taxes owed will remain the same unless  
29 changed by some other State or local legislative action.";

30          (2) For the taxable year beginning July 1, 1998, each county shall include the  
31 following statement on or with each real property tax bill:

32          "Important Notice to Taxpayers

33          In order to make real property tax bills simpler and easier to understand, the  
34 General Assembly, under Chapter \_\_\_\_\_ of the Acts of 1997, has required that property  
35 tax rates on real property be based on a full cash value assessment. As a result, on  
36 October 1, 1998, your real property tax rates will be reduced to 40% of the rate effective  
37 July 1, 1998. As an example of how this would work for the taxable year beginning July 1,  
38 1998, your county real property tax rate of \$\_\_\_\_\_ per \$100 of assessment will be  
39 \$\_\_\_\_\_ per \$100 of assessment on October 1, 1998. Your property taxes owed will remain  
40 the same unless changed by some other State or local legislative action."; and

27

1 (3) For assessment notices prepared for assessments that apply to the  
 2 taxable years beginning July 1, 1997 and July 1, 1998, the Department of Assessments and  
 3 Taxation shall include the following statement on or with each real property tax  
 4 assessment notice:

5 "Important Notice to Taxpayers

6 In order to make real property tax bills simpler and easier to understand, the  
 7 General Assembly, under Chapter \_\_\_\_\_ of the Acts of 1997, has required that property  
 8 tax rates on real property be based on a full cash value assessment. As a result, on  
 9 October 1, 1998, your real property tax rates will be reduced to 40% of the rate effective  
 10 July 1, 1998. Your property taxes owed for the taxable year beginning July 1, 1998 will  
 11 remain the same unless changed by some other State or local legislative action."

12 SECTION 6. AND BE IT FURTHER ENACTED, That, for the taxable year  
 13 beginning July 1, 1999:

14 (1) If a county or municipal corporation gives notice or advertisement  
 15 under § 6-308(e) of the Tax - Property Article, the notice or advertisement shall be in the  
 16 following form:

17 "..... (NAME OF JURISDICTION) NOTICE  
 18 OF A PROPOSED  
 19 REAL PROPERTY TAX INCREASE

20 Important Notice to Taxpayers

21 In order to make real property tax bills simpler and easier to understand, the  
 22 General Assembly, under Chapter \_\_\_\_\_ of the Acts of 1997, has required that property  
 23 tax rates on real property be based on a full cash value assessment. As a result, on  
 24 October 1, 1998, real property tax rates were reduced to 40% of the rate effective July 1,  
 25 1998. The county real property tax rate of \$\_\_\_\_\_ per \$100 of assessment on July 1, 1998  
 26 was reduced to \$\_\_\_\_\_ per \$100 of assessment on October 1, 1998. The change in  
 27 method of assessment had no effect on actual tax liability for the taxable year beginning  
 28 July 1, 1998.

29 Notice of Constant Yield Tax Rate

30 The.....(name of taxing authority) of.....(name of jurisdiction) proposes to increase  
 31 real property taxes.

32 1. For the tax year beginning July 1, 1999, the estimated real property assessable  
 33 base will increase by ....., from \$..... as of October 1, 1998 to \$..... as of July 1, 1999.

34 2. If ..... (name of jurisdiction) maintains the current real property tax rate,  
 35 effective October 1, 1998, of \$..... per \$100 of assessment, real property tax revenues will  
 36 increase by .....% resulting in \$..... of new real property tax revenues.

37 3. In order to fully offset the effect of increasing assessments, the real property  
 38 tax rate should be reduced to \$....., the constant yield tax rate.

28

1           4. The ..... (county, city, town, etc.) is considering not reducing its real property  
2 tax rate enough to fully offset increasing assessments. The ..... (county, city, town, etc.)  
3 proposes to adopt a real property tax rate of \$..... per \$100 of assessment. This tax rate is  
4 .....% higher than the constant yield tax rate and will generate \$..... in additional real  
5 property tax revenues.

6           A public hearing on the proposed real property tax rate increase will be held at .....  
7 (time) on ..... (date) at ..... (location).

8           The hearing is open to the public, and public testimony is encouraged.

9           Persons with questions regarding this hearing may call ..... (phone number) for  
10 further information."; and

11                   (2) A county shall mail with the real property tax bill the information  
12 described below in substantially the following form:

13                   "Important Notice to Taxpayers

14           In order to make real property tax bills simpler and easier to understand, the  
15 General Assembly, under Chapter \_\_\_\_\_ of the Acts of 1997, has required that property  
16 tax rates on real property be based on a full cash value assessment. As a result, on  
17 October 1, 1998, your real property tax rates were reduced to 40% of the rate effective  
18 July 1, 1998. Your county property tax rate of \$\_\_\_\_\_ per \$100 of assessment on July 1,  
19 1998 was reduced to \$\_\_\_\_\_ per \$100 of assessment on October 1, 1998. The change in  
20 method of assessment had no effect on your actual tax liability for the taxable year  
21 beginning July 1, 1998.

22                   Constant Yield Tax Rate

23           1. In the last taxable year the county (or Baltimore City) real property tax rate as  
24 of October 1, 1998 was ....., and the certified assessment of the net assessable real  
25 property as of October 1, 1998 was \$..... . The assessment multiplied by the rate produced  
26 real property tax revenues of \$..... .

27           2. For this taxable year the certified assessment of the net assessable real  
28 property is \$.... . To produce the same real property tax revenues as last year the real  
29 property tax rate would be .... . This rate is called the constant yield tax rate.

30           3. For this taxable year the actual real property tax rate is ....., which is (the same  
31 as) (different from) the constant yield tax rate. (If different, the rate is ..... (more) (less)  
32 than the constant yield tax rate and will produce in real property tax revenues \$..... (more)  
33 (less) than would be produced by the constant yield tax rate).".

34           SECTION 7. AND BE IT FURTHER ENACTED, That, except as expressly  
35 provided otherwise in this Act:

36                   (1) It is the intent of the General Assembly that the impact of this Act be  
37 revenue neutral;

38                   (2) Any limit on a local tax rate in a local law or charter provision in effect  
39 on September 30, 1998 that is expressed as a rate to be applied to an assessment of real

29

1 property, shall be construed to mean a rate equal to 40% times the rate stated in the local  
 2 law or charter provision; and any debt limit in a local law or charter provision in effect on  
 3 September 30, 1998 that is expressed as a percentage of an assessment of real property or  
 4 assessable base of real property, shall be construed to mean a percentage equal to 40%  
 5 times the percentage stated in the local law or charter provision; and

6 (3) This Act may not be construed to alter or affect the fiscal impact of any  
 7 provision of State or local law or county or municipal charter on any computation  
 8 prescribed by law or regulation that uses property tax assessments as part of the  
 9 computation.

10 SECTION 8. AND BE IT FURTHER ENACTED, That for the taxable year  
 11 beginning July 1, 1999, notwithstanding § 8-134 of the State Finance and Procurement  
 12 Article, the Board of Public Works shall certify a rate of State tax on assessable property  
 13 that reflects the changes in the method of assessing real property under this Act.

14 SECTION 9. AND BE IT FURTHER ENACTED, That, if the governing body of a  
 15 municipal corporation has set a special tax rate for any class of personal property under  
 16 § 6-303(a) of the Tax - Property Article, the municipal tax rate effective October 1, 1998,  
 17 and applicable to that class of property for the taxable year beginning July 1, 1999 shall be  
 18 2.5 times the rate for real property for that taxable year multiplied by the ratio applicable  
 19 to the taxable year beginning July 1, 1998 of its special rate to its real property tax rate.

20 SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding Section  
 21 1 and Section 5 of this Act, for the taxable year beginning July 1, 1998, the tax rate and  
 22 assessment used to compute property tax due under § 10-103, § 10-104, § 10-105, or §  
 23 10-204.3 of the Tax - Property Article shall be the tax rate and assessment effective as of  
 24 July 1, 1998.

25 SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding §  
 26 9-105(a)(5) and (e)(1) of the Tax - Property Article, for the taxable year beginning July  
 27 1, 1999 only, the homestead property tax credit shall be computed by:

28 (1) Multiplying the taxable assessments for the taxable year beginning July  
 29 1, 1998 for State, county, or municipal purposes, respectively, by 2.5;

30 (2) Adding to item (1) of this Section any increase in phased-in value  
 31 resulting from a revaluation under § 8-104(c)(1)(iii) of the Tax - Property Article;

32 (3) Multiplying the sums of items (1) and (2) of this Section by the  
 33 respective State, county, and municipal homestead credit percentages;

34 (4) Subtracting the amounts from the current year's assessment; and

35 (5) If the differences are positive numbers, multiplying the differences by  
 36 the applicable State, county, or municipal rate for the current taxable year.

37 SECTION 12. AND BE IT FURTHER ENACTED, That Sections 1, 6, 8, and 11 of  
 38 this Act shall take effect October 1, 1998 and shall be applicable to all taxable years  
 39 beginning after June 30, 1999.

1           SECTION 13. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
2 take effect June 1, 1999 and shall be applicable to all taxable years beginning after June  
3 30, 1999.

4           SECTION 14. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall  
5 take effect October 1, 1999 and shall be applicable to all taxable years beginning after  
6 June 30, 2000.

7           SECTION 15. AND BE IT FURTHER ENACTED, That, except as provided in  
8 Sections 12, 13, and 14 of this Act, this Act shall take effect June 1, 1997.