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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 ~~Valderrama, McKee, Shriver, Marriott, and Finifter~~

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Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 1997

CHAPTER _____

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 that,
21 on a certain date, real property tax rates shall be a certain percentage of the real
22 property tax rates effective on a certain date; providing for the intent of this Act;
23 requiring the Department to adopt regulations by a certain date to adjust the
24 valuation of use-valued property in a manner that would be revenue neutral relative
25 to this Act; providing for the revaluation of use-valued property; providing for the
26 construction, effective dates, and applicability of this Act; defining certain terms;

2

1 and generally relating to the method of computing the assessment of property for
2 property tax purposes.

3 BY repealing and reenacting, with amendments,

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

10 BY adding to

11 Article - Tax - Property
12 Section 8-422
13 Annotated Code of Maryland
14 (1994 Replacement Volume and 1996 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article 24 - Political Subdivisions - Miscellaneous Provisions
17 Section 9-101(a) and 9-109
18 Annotated Code of Maryland
19 (1996 Replacement Volume)

20 BY repealing and reenacting, with amendments,

21 Article 25A - Chartered Counties of Maryland
22 Section 5(P)(1)(i)
23 Annotated Code of Maryland
24 (1996 Replacement Volume)

25 BY repealing and reenacting, with amendments,

26 Article 28 - Maryland-National Capital Park and Planning Commission
27 Section 3-103(a), 4-105(f), 6-106, 6-107(a) and (b), and 7-106(e)
28 Annotated Code of Maryland
29 (1993 Replacement Volume and 1996 Supplement)

30 BY repealing and reenacting, with amendments,

31 Article 29 - Washington Suburban Sanitary District
32 Section 4-101(a)(1) and 6-106(a)
33 Annotated Code of Maryland
34 (1993 Replacement Volume and 1996 Supplement)

35 BY repealing and reenacting, with amendments,

36 Article 41 - Governor - Executive and Administrative Departments
37 Section 14-202(n)
38 Annotated Code of Maryland

3

1 (1993 Replacement Volume and 1996 Supplement)

2 BY repealing and reenacting, with amendments,

3 Article 45A - Industrial Development

4 Section 2(a) and (b)

5 Annotated Code of Maryland

6 (1994 Replacement Volume and 1996 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article 83A - Department of Business and Economic Development

9 Section 5-713

10 Annotated Code of Maryland

11 (1995 Replacement Volume and 1996 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article 88B - Department of State Police

14 Section 66(a)(4)

15 Annotated Code of Maryland

16 (1995 Replacement Volume and 1996 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article - Education

19 Section 5-202(a)(8)

20 Annotated Code of Maryland

21 (1997 Replacement Volume)

22 BY repealing and reenacting, with amendments,

23 Article - Transportation

24 Section 5-419(b)

25 Annotated Code of Maryland

26 (1993 Replacement Volume and 1996 Supplement)

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

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

29 **Article - Tax - Property**

30 1-101.

31 (b) "Assess" means:

32 (1) for real property, to determine [the product of] the phased-in full cash
33 value [multiplied by the assessment percentage or other applicable factor as provided in
34 § 8-103(c) of this article] OR USE VALUE to which the property tax rate may be applied;
35 and

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

4

1 (c) "Assessment" means:

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

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

6 1-403.

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

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

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

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

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

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

16 (3) information on the availability of State property tax credits, including
17 the homestead property tax credit, the homeowners property tax credit, and the renters
18 tax credit.

19 6-302.

20 (b) (1) Except as provided in subsection (c) of this section, §§ 6-305 and 6-306
21 of this subtitle and § 6-203 of this title[.];

22 (I) there shall be a single county property tax rate for all REAL
23 property subject to county property tax EXCEPT FOR OPERATING REAL PROPERTY
24 DESCRIBED IN § 8-109(C) OF THIS ARTICLE; AND

25 (II) THE COUNTY TAX RATE APPLICABLE TO PERSONAL PROPERTY
26 AND THE OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS ARTICLE
27 FOR TAXABLE YEARS BEGINNING AFTER JUNE 30, 1998 SHALL BE 2.5 TIMES THE RATE
28 FOR REAL PROPERTY.

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

31 6-303.

32 (c) (1) Except as provided in subsection (a)(2) of this section and § 6-305 of
33 this subtitle[.];

34 (I) there shall be a single municipal corporation property tax rate for
35 all REAL property subject to municipal corporation property tax EXCEPT FOR
36 OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS ARTICLE; AND

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1 (II) THE MUNICIPAL TAX RATE APPLICABLE TO PERSONAL
2 PROPERTY AND THE OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS
3 ARTICLE FOR TAXABLE YEARS BEGINNING AFTER JUNE 30, 1998 SHALL BE 2.5 TIMES
4 THE RATE FOR REAL PROPERTY.

5 (2) Paragraph (1) of this subsection does not affect a special rate prevailing
6 in a taxing district or part of a municipal corporation.

7 7-207.

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

11 (1) a blind individual; or

12 (2) a surviving spouse.

13 8-103.

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

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

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

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

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

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

29 (5) "3-year cycle" means a continuous series of 3 calendar year periods
30 beginning for each period with the 1st calendar year after the calendar year in which a
31 physical inspection of real property is made under § 8-104(b) of this subtitle.

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

33 (1) determine the new statewide value[; and

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

35 (c) (1) Except as provided in this subsection, the assessment of real property is
36 [40% of] its phased in value.

6

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

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

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

7 8-108.

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

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

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

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

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

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

20 (i) the assessment of operating land; and

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

23 (3) The assessment of operating personal property is the value of operating
24 personal property, less the assessment of operating personal property, if any, that is
25 exempt by law from property tax.

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

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

32 (d) (1) If operating property is located permanently in more than 1 county or
33 municipal corporation, the Department shall apportion the assessment of that operating
34 property among the counties and municipal corporations where the operating property is
35 located.

36 (2) If operating property is not located permanently in a county or a
37 municipal corporation, the Department shall apportion the assessment of that operating
38 property among the counties and municipal corporations on the basis of the ratio of the

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1 all track mileage, excluding trackage rights, of the railroad operated in each county and
2 any municipal corporation, to the total of all track mileage, excluding trackage rights,
3 operated in this State.

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

6 8-109.

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

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

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

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

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

16 (i) [the assessment of operating land;

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

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

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

24 (ii) the value of operating real property is the assessment of operating
25 real property of a public utility.

26 (iii) the value of operating personal property is the assessment of
27 operating personal property of a public utility.

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

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

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

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

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

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

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

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

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

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

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

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

33 8-209.

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

36 8-211.

37 (j) If the assessment under subsection (i)(1)(ii) through (iv) of this section is
38 greater than the VALUE USED TO DETERMINE THE assessment under subsection (h) of
39 this section, the difference between the 2 [assessments] VALUATIONS is computed in
40 approximately equal annual steps that cover the number of taxable years between the 2

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1 [assessments] VALUATIONS, and the agreement holder owes property tax for each
2 taxable year payable at the property tax rates applicable for each taxable year.

3 8-224.

4 (b) (1) If a part of any land that meets the requirements of § 8-221 of this
5 subtitle is rezoned at the request of the owner to a zoning classification that does not
6 meet the requirements of § 8-221 of this subtitle, the assessment of that part under §
7 8-222 of this subtitle shall be terminated and the part shall be assessed at the greater
8 value determined under § 8-223 of this subtitle.

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

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

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

19 8-233.

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

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

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

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

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

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

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

31 (d) The assessment of the changes exempted under this section may not exceed
32 [10%] 4% of the total assessment of the real property on which the building is located.

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

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

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

10

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

3 8-401.

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

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

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

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

8 [(4)] (2) the amount of the proposed value including a statement that the
9 total amount of the proposed value is the value for purposes of appeal;

10 [(5)] (3) the amount of the proposed value that will be the basis for the
11 assessment in each year of the 3-year cycle;

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

13 (7)] (4) a statement:

14 (i) indicating the right to appeal; and

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

17 [(8)] (5) a statement that valuation records are available as provided by §
18 14-201 of this article.

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

21 (1) the amount of the current value;

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

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

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

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

27 (6)] (4) a statement:

28 (i) indicating the right of appeal; and

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

31 [(7)] (5) a statement that valuation records are available as provided by §
32 14-201 of this article.

11

1 8-422.

2 FOR THE PURPOSE OF CONSTRUCTION OF ANY STATE OR LOCAL LAW, AN
3 ASSESSMENT OF REAL PROPERTY FOR A TAXABLE YEAR BEGINNING AFTER JUNE 30,
4 ~~1998~~ 1999 THAT IS COMPARED TO AN ASSESSMENT THAT IS EFFECTIVE ON OR BEFORE
5 SEPTEMBER 30, ~~1997~~ 1998, SHALL BE COMPUTED SO THAT:

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

9 (2) THERE IS NO CHANGE IN THE AMOUNT OF TAX DUE, TAX RELIEF
10 AUTHORIZED, COMPUTATION OF ASSESSMENT RATIO, OR OTHER COMPUTATION
11 BASED ON ASSESSMENTS SOLELY AS A RESULT OF THE CHANGE IN THE METHOD OF
12 COMPUTING ASSESSMENTS EFFECTIVE OCTOBER 1, ~~1997~~ 1998.

13 9-103.

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

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

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

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

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

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

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

28 2. is partially devoted to a nonresidential use.

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

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

34 (i) not used for residential purposes;

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

37 (iii) located in an enterprise zone that is designated under Article 83A,
38 § 5-402 of the Code.

12

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (1) each qualified property;

13

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

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

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

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

10 (2) Within 5 working days after the Department of Assessments and
11 Taxation receives the request from the county or municipal corporation, the Department
12 shall certify to the Comptroller the reimbursement due to each county or municipal
13 corporation.

14 (3) Within 5 working days after the Comptroller receives the certification
15 from the Department, the Comptroller shall reimburse each county or municipal
16 corporation.

17 9-104.

18 (a) (13) "Total real property tax" means the product of the sum of all property
19 tax rates on real property, including special district tax rates, for the taxable year on a
20 dwelling, multiplied by the lesser of the assessed value of the dwelling or [\$60,000]
21 \$150,000; and then reduced by any property tax credit granted under § 9-105 of this
22 subtitle.

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

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

26 9-101.

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

33 9-109.

34 Each county or municipal corporation that avails itself of the provisions of this
35 subtitle by borrowing money or incurring indebtedness on its individual faith and credit
36 shall levy a tax not exceeding [8] 3.2 cents on each \$100 of assessable REAL property
37 subject to the property tax of that county or municipal corporation OR 8 CENTS ON EACH
38 \$100 OF ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL PROPERTY
39 DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE, to be collected according
40 to law, in an amount that will repay in full with interest the money or indebtedness

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1 incurred under this subtitle by the county or municipal corporation, within the period of
2 2 years after the indebtedness was incurred.

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

4 5.

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

8 (P) Bonds or Evidences of Indebtedness

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

14 (i) The aggregate amount of bonds and other evidences of indebtedness
15 outstanding at any one time shall not exceed [15 per centum upon] A TOTAL OF 6
16 PERCENT OF the assessable basis OF REAL PROPERTY of the county AND 15 PERCENT
17 OF THE COUNTY'S ASSESSABLE BASIS OF PERSONAL PROPERTY AND OPERATING
18 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE OF THE
19 COUNTY, except that (a) tax anticipation notes or other evidences of indebtedness having
20 a maturity not in excess of 12 months, (b) bonds or other evidences of indebtedness issued
21 or guaranteed by the county payable primarily or exclusively from taxes levied in or on, or
22 other revenues of, special taxing areas or districts heretofore or hereafter established by
23 law, and (c) bonds or other evidences of indebtedness issued for self-liquidating and
24 other projects payable primarily or exclusively from the proceeds of assessments or
25 charges for special benefits or services, shall not be subject to, or be included as bonds or
26 evidences of indebtedness in computing or applying, [said 15 per centum] THE 6
27 PERCENT limitation.

28 **Article 28 - Maryland-National Capital Park and Planning Commission**

29 3-103.

30 (a) All of the area of Montgomery County not included within the
31 Maryland-Washington Metropolitan District as it is now or may hereafter be defined,
32 with the exception of the area now or hereafter located within the boundaries of
33 municipal corporations as defined in Article 23A, § 9 of the Code, is hereby added to the
34 Maryland-Washington Metropolitan District and is designated the "Upper Montgomery
35 County Metropolitan District". For purposes of taxation, this shall constitute a special
36 taxing district in which the Montgomery County Council is authorized to levy annually a
37 tax of not to exceed [five] 2 cents on each \$100 of assessable REAL property within the
38 Upper Montgomery County Metropolitan District AND 5 CENTS ON EACH \$100 OF
39 ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED
40 IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE WITHIN THE UPPER MONTGOMERY
41 COUNTY METROPOLITAN DISTRICT, which tax shall be collected and paid over to the
42 Maryland-National Capital Park and Planning Commission and shall be expended by the

15

1 Commission for the acquisition, maintenance and development of parks and playgrounds
2 in the Upper Montgomery County Metropolitan District, provided that no part of the
3 revenue derived from such tax shall be expended for the amortization of bonds or other
4 certificates of indebtedness.

5 4-105.

6 (f) Each supplementary agreement shall first be submitted for approval to the
7 County Council of Montgomery County or the County Commissioners of Prince George's
8 County, depending upon the location of the unit or units of park land involved. The
9 respective county shall approve the agreement, if it finds that (1) the boundaries of the
10 unit of land to be acquired pursuant to the supplementary agreement are within the
11 general park plan adopted by the contract or commitment to which the agreement is
12 supplementary; and (2) the Commission will be able to meet the obligations to be
13 incurred by it in the acquisition, including the payment of interest on the obligations,
14 from the proceeds of the [seven cent (7\c)]tax authorized and directed to be levied in
15 that portion of the metropolitan district lying within Montgomery County or from the
16 proceeds of the [five cent (5\c)]tax authorized and directed to be levied in that portion of
17 the metropolitan district lying within Prince George's County. In determining whether the
18 Commission will be able to meet the obligation from the proceeds of the taxes, the
19 County Council or County Commissioners shall compute the proceeds upon the
20 assessable basis of those portions of the metropolitan district lying within Montgomery
21 and Prince George's Counties, respectively, for the fiscal year in which approval is sought
22 and upon the assumption that the entire tax levied will be collected so long as any of the
23 obligations to be incurred pursuant to the supplementary agreement are outstanding and
24 unpaid.

25 6-106.

26 (a) Montgomery County shall levy against all of the property within that portion
27 of the metropolitan district within Montgomery County assessed for the purposes of
28 county taxation annually a tax of [nine] 3.6 cents on each \$100 of assessed valuation OF
29 REAL PROPERTY AND 9 CENTS ON EACH \$100 OF ASSESSED VALUATION OF
30 PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF
31 THE TAX - PROPERTY ARTICLE. The tax shall be levied notwithstanding the fact that no
32 interest may be due on any bonds and/or notwithstanding the fact that no bonds have
33 been issued under this title. Every 60 days the tax so levied and collected to date by the
34 county shall be remitted to the Commission. The proceeds of the [nine cents]tax, after
35 providing for debt service on bonds issued pursuant to §§ 6-101 and 6-105 of this title
36 may be used by the Commission for policing the several parks or other areas under its
37 jurisdiction and/or for the purpose of acquisition, development, beautification, or
38 maintenance of parks and/or other areas and/or the establishment therein of playground
39 and recreational facilities as the Commission determines. In addition to the foregoing
40 [nine cents] mandatory tax, Montgomery County may levy against all property within
41 that portion of the metropolitan district within Montgomery County assessed for the
42 purposes of county taxation annually a tax of [two] 0.8 cents on each \$100 of assessed
43 valuation OF REAL PROPERTY AND 2 CENTS ON EACH \$100 OF ASSESSED VALUATION
44 OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C)
45 OF THE TAX - PROPERTY ARTICLE; this additional [two cents] tax shall be in lieu of,
46 and in complete satisfaction of, any and all obligations of the county to pay for any part

16

1 of the maintenance of the Commission's park system pursuant to § 8 of Chapter 761 of
2 the Laws of Maryland, 1953, and all agreements executed pursuant to the terms of that
3 law.

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

8 (c) Of the tax which Prince George's County is authorized to levy in this title, the
9 county shall levy in each fiscal year at least [ten] 4 cents on each \$100 of assessed value
10 of all REAL property AND AT LEAST 10 CENTS ON EACH \$100 ASSESSED VALUE OF ALL
11 PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF
12 THE TAX - PROPERTY ARTICLE, subject to assessment and taxation by the county within
13 that portion of the metropolitan district lying within Prince George's County. The tax
14 shall be levied and paid over to the Commission in the manner prescribed elsewhere in
15 this title. The proceeds of the collection of the tax shall be applied primarily to the
16 payment of the principal and interest of any bonds heretofore or hereafter issued by the
17 Commission for the acquisition of park lands in that portion of the metropolitan district
18 lying within Prince George's County pursuant to the authority of this title and within the
19 limitations on indebtedness prescribed in this title. However, the proceeds of the tax shall
20 also be paid to the Commission notwithstanding the fact that no principal or interest
21 payments may be due with respect to any bonds and notwithstanding the fact that no
22 bonds may be issued or outstanding in any one fiscal year. It is the intent of this
23 subsection to provide the Commission with funds to finance the acquisition of park lands
24 within that portion of the metropolitan district lying within Prince George's County,
25 either from current revenues or by the issue of bonds, and furthermore, to provide the
26 Commission with funds necessary for the maintenance, operation, and development of
27 park land so acquired.

28 (d) The County Council of Montgomery County and the County Council of Prince
29 George's County may levy an ad valorem tax in Prince George's County and in
30 Montgomery County annually, in addition to all other taxes levied, for the benefit of and
31 on behalf of the Commission, upon all the property within the metropolitan district
32 assessed for county taxation purposes, as the metropolitan district is defined at the time
33 of the levy. Each county is authorized to pay the aggregate amount collected by the tax to
34 the Commission as they pay other funds collected by taxation for the benefit of the
35 Commission. The proceeds of the tax shall be expended by the Commission for the
36 acquisition, maintenance, development, and operation of the park systems in the
37 counties, as well as the debt service required by its outstanding bonds or bonds issued in
38 the future. The Commission shall expend or disburse that proportion of tax collected
39 from Montgomery County within Montgomery County and that proportion collected from
40 Prince George's County within Prince George's County.

41 (e) In each fiscal year beginning July 1, 1970, Prince George's County may levy
42 against all of the property in Prince George's County assessed for the purposes of county
43 taxation, annually, a tax for recreation. Every 60 days the tax so levied and collected to
44 date by the county shall be remitted to the Commission. The proceeds of the tax shall be
45 used by such Commission to finance its adopted budget for the purpose of regulating,
46 operating and maintaining recreation functions, programs, facilities and personnel in

17

1 Prince George's County as such Commission may determine. A tax of not less than [five]
2 2 cents on each \$100 of assessed valuation OF REAL PROPERTY AND NOT LESS THAN 5
3 CENTS ON EACH \$100 OF ASSESSED VALUATION OF PERSONAL PROPERTY AND
4 OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY
5 ARTICLE shall be levied for recreation.

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

10 6-107.

11 (a) For the purpose of paying the current operating or administrative expenses of
12 the Commission, including the cost of the development of the plan of the regional district
13 or any part of the plan and including the cost of the exercise of the powers and functions
14 granted to the Commission, there shall be levied annually against all the assessable
15 property within the regional district by Montgomery and Prince George's Counties,
16 respectively, a tax of [three] 1.2 cents on each \$100 of assessable REAL property within
17 the regional district AND 3 CENTS ON EACH \$100 OF ASSESSABLE PERSONAL PROPERTY
18 AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY
19 ARTICLE. Each of the counties in each annual levy, except as hereinafter provided, shall
20 levy the tax on all property in its county within the regional district, both real and
21 personal, assessed for county tax purposes. These taxes shall be levied and collected as
22 county taxes are levied and collected; and they shall have the same priority rights, bear
23 the same interest and penalties, and in every respect be treated the same as county taxes.
24 The proceeds of the collection of the tax shall be paid to the Commission and constitute
25 the administrative fund of the Commission. The expenditures of the Commission for
26 operating or administrative purposes shall be within the amount of the fund, together
27 with additional funds appropriated or contributed for these purposes by the two counties,
28 the General Assembly of Maryland, the United States, or private donors.

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

38 7-106.

39 (e) For the purposes of this section, in Prince George's County and Montgomery
40 County, the Commission may establish in its annual budget a continuing land acquisition
41 revolving fund from which disbursements for the purposes of this section shall be made,
42 and the Commission may issue and sell serial bonds from time to time in amounts it
43 deems necessary for this purpose. However, in Prince George's County the County
44 Council shall approve the Commission's issue and sale of bonds concerning that county.
45 The total amount of the bonds outstanding at any time may not exceed an amount which

18

1 can be redeemed within 30 years from the date of issue by means of a tax of [three] 1.2
 2 cents on each \$100 assessed valuation OF REAL PROPERTY in Prince George's County
 3 and Montgomery County AND 3 CENTS ON EACH \$100 ASSESSED VALUATION OF
 4 PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF
 5 THE TAX - PROPERTY ARTICLE; in making such calculation, assumptions may be made
 6 as set forth in § 6-101(b) of this article. The provisions relating to form, interest rate, sale,
 7 redemption, guarantee, and liability contained in § 6-101 (serial bonds, notes, and other
 8 obligations) shall be equally applicable to bonds issued pursuant to the provisions of this
 9 section.

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

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

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

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

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

38 4-101.

39 (a) (1) For the purpose of providing funds for the design, construction,
 40 reconstruction, establishment, extension, enlargement, purchase or condemnation of the
 41 water and sewerage systems in the sanitary district, or in any other areas where extension
 42 of any of the aforementioned systems may be authorized by law, or for the construction,
 43 remodeling, enlargement or replacement of any office or operating building or buildings
 44 required for the administration or operation of any of the systems, including the

19

1 acquisition of land or equipment, the WSSC is authorized and empowered to issue bonds
 2 of the sanitary district, from time to time, in such amounts as it may deem necessary to
 3 carry on its work, but the aggregate amount of bonds heretofore or hereafter issued under
 4 this section which may be outstanding at any time, less the amount held in the joint
 5 sinking fund account for the payment of the principal of the bonds, shall not exceed [14]
 6 A TOTAL OF 5.6 percent of the total assessable basis of all REAL property assessed for
 7 county taxation purposes within the sanitary district AND 14 PERCENT OF THE TOTAL
 8 ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED
 9 IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE ASSESSED FOR COUNTY TAXATION
 10 PURPOSES WITH THE SANITARY DISTRICT; provided, however, that in computing the
 11 amount of bonds which may be issued under this section, there shall not be included any
 12 bonds heretofore or hereafter issued for the payment of which the WSSC is required by
 13 law to fix and collect water service charges at least sufficient to pay the principal and
 14 interest requirements of such bonds. Bonds hereafter issued under the authority of this
 15 section shall be serial bonds with the principal of any given issue payable annually,
 16 commencing not more than 3 years from the date of the bonds. The bonds may be either
 17 registered or coupon bonds, or registerable as to principal with interest represented by
 18 coupons and issued in such denomination or denominations as shall be determined by the
 19 WSSC, shall bear interest as provided in § 4-104 of this title payable semi-annually and
 20 shall mature not exceeding 40 years from the date of issue, and all bonds of the sanitary
 21 district or of the WSSC, including those heretofore issued, shall be forever exempt from
 22 taxation by the State of Maryland and by the counties and municipalities in the State. Any
 23 bonds hereafter issued by the WSSC in its name or in the name of the sanitary district
 24 may be made redeemable before maturity at the option of the WSSC, at such price or
 25 prices and under such terms and conditions as may be fixed by the WSSC prior to the
 26 issuance of such bonds.

27 6-106.

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

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

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

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

20

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

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

5 14-202.

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

9 **Article 45A - Industrial Development**

10 2.

11 (a) If any county shall so provide in the ordinance or resolution, declaring a state
 12 of acute unemployment to exist, such county shall be deemed to be authorized and
 13 empowered, from time to time, to issue and sell bonds or other certificates of
 14 indebtedness in connection with the borrowing by it upon its full faith and credit of the
 15 sums necessary to make the grants authorized by § 1 of this article; provided, however,
 16 that the total amount of bonds or other certificates of indebtedness which may be issued
 17 and outstanding at any one time shall not exceed an amount which is equal to [two tenths
 18 of one percent (.2%)] A TOTAL OF 0.08% of the total assessed valuation of all REAL
 19 property within such county subject to taxation at the full county tax rate AND 0.2% OF
 20 THE TOTAL ASSESSED VALUATION OF ALL PERSONAL PROPERTY AND OPERATING
 21 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE WITHIN
 22 SUCH COUNTY SUBJECT TO TAXATION AT THE FULL COUNTY TAX RATE.

23 (b) The bonds hereby authorized to be issued shall be known as "industrial
 24 development bonds" and shall bear interest at a rate not exceeding five and one-half
 25 percent (5 1/2%), payable semiannually and shall mature serially over a period of thirty
 26 years, the amount of maturities to be fixed by the governing body of such county. Said
 27 bonds shall be the general obligation of the county issuing the same and shall be exempt,
 28 both as to principal and interest, from all forms of taxation imposed by the State, county,
 29 or municipal authorities within the State of Maryland. The form of the bonds shall be
 30 such as may be adopted or prescribed by the governing body of the county issuing the
 31 same. Any certificates of indebtedness, other than bonds authorized hereby, shall bear
 32 interest at such rate as may be determined by the governing body of the county issuing the
 33 same and shall mature at such time, or times, not exceeding five years, as may be specified
 34 by the governing body of such county. Such certificates of indebtedness shall be the
 35 general obligations of the county issuing the same and shall be exempt from taxation to
 36 the same extent as the bonds authorized hereby. It shall be no defense to a suit for
 37 collection of the principal of any bond or other certificate of indebtedness, or for any
 38 interest accrued thereon, that an acute unemployment state did not in fact exist as
 39 declared in the resolution or ordinance of the county issuing such bond or certificate of
 40 indebtedness, nor shall it be any defense to any such suit that the amount of bonds or
 41 other certificates of indebtedness which may be issued and outstanding at any one time
 42 shall in fact exceed [two tenths of one percentum (.2%)] A TOTAL OF 0.08% of the total
 43 assessed value of all REAL property within such county subject to taxation at the full
 44 county tax rate AND 0.2% OF THE TOTAL ASSESSED VALUE OF ALL PERSONAL

21

1 PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX -
2 PROPERTY ARTICLE WITHIN SUCH COUNTY SUBJECT TO TAXATION AT THE FULL
3 COUNTY TAX RATE.

4 **Article 83A - Department of Business and Economic Development**

5 5-713.

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

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

16 66.

17 (a) (4) "Adjusted assessed valuation of real property" [shall be as reported by
18 the State Department of Assessments and Taxation as of July 1 of the second fiscal year
19 preceding the fiscal year for which the calculation of State aid is to be made, plus 50% of
20 new property assessed between July 1 and December 31 of such second preceding fiscal
21 year. Thus, State aid for the first year of this grant shall be based on assessed valuation as
22 of July 1, 1966 plus 50% of new property assessed between July 1, 1966 and December 31,
23 1966; and State aid for succeeding years on corresponding succeeding assessments]
24 MEANS, FOR FISCAL YEAR 1999 AND EACH FISCAL YEAR THEREAFTER, 40% OF THE
25 ASSESSED VALUATION OF REAL PROPERTY REPORTED BY THE STATE DEPARTMENT
26 OF ASSESSMENTS AND TAXATION AS OF JULY 1 OF THE SECOND FISCAL YEAR
27 PRECEDING THE FISCAL YEAR FOR WHICH THE CALCULATION OF STATE AID IS TO
28 BE MADE, PLUS 20% OF NEW PROPERTY ASSESSED BETWEEN JULY 1 AND DECEMBER
29 31 OF THE SECOND PRECEDING FISCAL YEAR . "Real property" shall have the meaning,
30 and assessed valuation shall be subject to the adjustments for under- or over-assessment,
31 as presently provided by § 5-202 of the Education Article.

32 **Article - Education**

33 5-202.

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

35 (i) Net taxable income;

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

37 and

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

22

1 **Article - Transportation**

2 5-419.

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

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

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

17 **Article - Tax - Property**

18 2-205.

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

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

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

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

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

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

27 (ii) an estimate of the total assessment:

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

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

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

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

23

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

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

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

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

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

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

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

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

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

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

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

30 6-308.

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

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

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

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

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

24

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

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

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

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

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

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

16 (d) (1) The advertisement shall be at least 1/4 of a page in size for counties and
17 1/8 of a page in size for municipal corporations.

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

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

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

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

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

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

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

28 "..... (NAME OF JURISDICTION) NOTICE
29 OF A PROPOSED
30 REAL PROPERTY TAX INCREASE

31 The.....(name of taxing authority) of.....(name of jurisdiction) proposes to increase
32 REAL property taxes.

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

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

25

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26

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

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

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

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

9 "Constant Yield Tax Rate

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

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

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

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

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

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

27 SECTION 4. AND BE IT FURTHER ENACTED, That on or before December 1,
28 1997, the Department of Assessments and Taxation shall identify any provisions of the
29 Annotated Code of Maryland or the Code of Public Local Laws that are rendered
30 inaccurate or obsolete as a result of this Act and, in accordance with § 2-1312 of the State
31 Government Article, shall submit a report to the General Assembly on its findings with
32 recommendations for any amendments to the Codes.

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

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

27

1 "Important Notice to Taxpayers

2 In order to make real property tax bills simpler and easier to understand, the
 3 General Assembly, under Chapter _____ of the Acts of 1997, has required that property
 4 tax rates on real property be based on a full cash value assessment. As a result, on
 5 October 1, 1998, your real property tax rates will be reduced to 40% of the rate effective
 6 July 1, 1998. As an example of how this would work for the taxable year beginning July 1,
 7 1997, your county real property tax rate of \$_____ per \$100 of assessment would be
 8 \$_____ per \$100 of assessment. Your property taxes owed will remain the same unless
 9 changed by some other State or local legislative action.";

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

12 "Important Notice to Taxpayers

13 In order to make real property tax bills simpler and easier to understand, the
 14 General Assembly, under Chapter _____ of the Acts of 1997, has required that property
 15 tax rates on real property be based on a full cash value assessment. As a result, on
 16 October 1, 1998, your real property tax rates will be reduced to 40% of the rate effective
 17 July 1, 1998. As an example of how this would work for the taxable year beginning July 1,
 18 1998, your county real property tax rate of \$_____ per \$100 of assessment will be
 19 \$_____ per \$100 of assessment on October 1, 1998. Your property taxes owed will remain
 20 the same unless changed by some other State or local legislative action."; and

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

25 "Important Notice to Taxpayers

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

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

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

28

1 "..... (NAME OF JURISDICTION) NOTICE
 2 OF A PROPOSED
 3 REAL PROPERTY TAX INCREASE

4 Important Notice to Taxpayers

5 In order to make real property tax bills simpler and easier to understand, the
 6 General Assembly, under Chapter _____ of the Acts of 1997, has required that property
 7 tax rates on real property be based on a full cash value assessment. As a result, on
 8 October 1, 1998, real property tax rates were reduced to 40% of the rate effective July 1,
 9 1998. The county real property tax rate of \$_____ per \$100 of assessment on July 1, 1998
 10 was reduced to \$_____ per \$100 of assessment on October 1, 1998. The change in
 11 method of assessment had no effect on actual tax liability for the taxable year beginning
 12 July 1, 1998.

13 Notice of Constant Yield Tax Rate

14 The.....(name of taxing authority) of.....(name of jurisdiction) proposes to increase
 15 real property taxes.

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

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

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

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

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

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

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

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

35 "Important Notice to Taxpayers

36 In order to make real property tax bills simpler and easier to understand, the
 37 General Assembly, under Chapter _____ of the Acts of 1997, has required that property

29

1 tax rates on real property be based on a full cash value assessment. As a result, on
 2 October 1, 1998, your real property tax rates were reduced to 40% of the rate effective
 3 July 1, 1998. Your county property tax rate of \$_____ per \$100 of assessment on July 1,
 4 1998 was reduced to \$_____ per \$100 of assessment on October 1, 1998. The change in
 5 method of assessment had no effect on your actual tax liability for the taxable year
 6 beginning July 1, 1998.

7 Constant Yield Tax Rate

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

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

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

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

21 (1) Effective October 1, 1998, real property tax rates, for purposes of
 22 application against the full value assessment established by Section 1 of this Act, shall be
 23 40% of the real property tax rates effective July 1, 1998;

24 (2) It is the intent of the General Assembly that the impact of this Act be
 25 revenue neutral;

26 ~~(2)~~ (3) Any limit on a local tax rate in a local law or charter provision in
 27 effect on September 30, 1998 that is expressed as a rate to be applied to an assessment of
 28 real property, shall be construed to mean a rate equal to 40% times the rate stated in the
 29 local law or charter provision; and any debt limit in a local law or charter provision in
 30 effect on September 30, 1998 that is expressed as a percentage of an assessment of real
 31 property or assessable base of real property, shall be construed to mean a percentage
 32 equal to 40% times the percentage stated in the local law or charter provision; and

33 ~~(3)~~ (4) This Act may not be construed to alter or affect the fiscal impact of
 34 any provision of State or local law or county or municipal charter on any computation
 35 prescribed by law or regulation that uses property tax assessments as part of the
 36 computation.

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

1 SECTION 9. AND BE IT FURTHER ENACTED, That, if the governing body of a
 2 municipal corporation has set a special tax rate for any class of personal property under
 3 § 6-303(a) of the Tax - Property Article, the municipal tax rate effective October 1, 1998,
 4 and applicable to that class of property for the taxable year beginning July 1, 1999 shall be
 5 2.5 times the rate for real property for that taxable year multiplied by the ratio applicable
 6 to the taxable year beginning July 1, 1998 of its special rate to its real property tax rate.

7 SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding Section
 8 1 and Section 5 of this Act, for the taxable year beginning July 1, 1998, the tax rate and
 9 assessment used to compute property tax due under § 10-103, § 10-104, § 10-105, or §
 10 10-204.3 of the Tax - Property Article shall be the tax rate and assessment effective as of
 11 July 1, 1998.

12 SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding §
 13 9-105(a)(5) and (e)(1) of the Tax - Property Article, for the taxable year beginning July
 14 1, 1999 only, the homestead property tax credit shall be computed by:

15 (1) Multiplying the taxable assessments for the taxable year beginning July
 16 1, 1998 for State, county, or municipal purposes, respectively, by 2.5;

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

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

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

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

24 SECTION 12. AND BE IT FURTHER ENACTED, That on or before October 1,
 25 1998, the Department of Assessments and Taxation shall adopt regulations applicable to
 26 the taxable year beginning July 1, 1999 to adjust the valuation of use-valued property in
 27 a manner that would be revenue neutral relative to this Act. Notwithstanding § 8-104(b)
 28 of the Tax - Property Article, the Department shall revalue all use-valued property for
 29 the date of finality January 1, 1999 pursuant to the adjusted use valuation rates.

30 SECTION 13. AND BE IT FURTHER ENACTED, That Sections 1, 6, 8, and 11 of
 31 this Act shall take effect October 1, 1998 and shall be applicable to all taxable years
 32 beginning after June 30, 1999.

33 ~~SECTION 13.~~ 14. AND BE IT FURTHER ENACTED, That Section 2 of this Act
 34 shall take effect June 1, 1999 and shall be applicable to all taxable years beginning after
 35 June 30, 1999.

36 ~~SECTION 14.~~ 15. AND BE IT FURTHER ENACTED, That Section 3 of this Act
 37 shall take effect October 1, 1999 and shall be applicable to all taxable years beginning
 38 after June 30, 2000.

39 ~~SECTION 15.~~ 16. AND BE IT FURTHER ENACTED, That, except as provided in
 40 Sections ~~12, 13, and 14~~ 13, 14, and 15 of this Act, this Act shall take effect June 1, 1997.

