

HOUSE BILL 461

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Q1

1998 Regular Session  
8lr0707  
CF 8lr0503

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By: **Delegates Hecht, Mandel, Kopp, Shriver, McIntosh, Donoghue,  
Rudolph, and Conway**

Introduced and read first time: February 4, 1998

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 25, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Property Tax Exemption - Charitable Organizations - Abatement of**  
3 **Property Tax in Year of Transfer**

4 FOR the purpose of providing that, under certain circumstances, property tax on ~~any~~  
5 certain property that becomes exempt during a taxable year is abated from the  
6 date during the taxable year when the instrument transferring title to certain  
7 charitable organizations is recorded; and providing for the application of this  
8 Act.

9 BY repealing and reenacting, with amendments,  
10 Article - Tax - Property  
11 Section 7-104 and 7-202  
12 Annotated Code of Maryland  
13 (1994 Replacement Volume and 1997 Supplement)

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

16 **Article - Tax - Property**

17 7-104.

18 (a) Except as provided in subsection (c) of this section and in [§ 7-215 ] §§  
19 7-202 AND 7-215 of this title, property tax on wholly exempt property shall be abated  
20 for the taxable year that follows the date on which the property became exempt.

1 (b) If an owner of property subject to an exemption on June 30 files an  
2 application for abatement on or before the following September 1 with the  
3 Department or the supervisor, the tax is abated for the taxable year.

4 (c) If property that is exempt from property tax is transferred to a person  
5 whose use of the property qualifies the property for an exemption from the date of  
6 transfer, then the property tax shall be abated from that date.

7 7-202.

8 (a) In this section:

9 (1) "fraternal organization" means any organization that:

10 (i) is conducted solely for the benefit of its members and its  
11 beneficiaries;

12 (ii) is operated on a lodge system with a ritualistic activity; and

13 (iii) has a representative form of government;

14 (2) "fraternal organization" includes a sororal organization; and

15 (3) "fraternal organization" does not include:

16 (i) any college or high school fraternity or sorority; or

17 (ii) any other fraternal or sororal organization the membership of  
18 which is restricted wholly or largely to students or graduates of an educational  
19 institution or a professional school.

20 (b) (1) Except as provided in subsection (c) of this section, property is not  
21 subject to property tax if the property:

22 (i) is necessary for and actually used exclusively for a charitable or  
23 educational purpose to promote the general welfare of the people of the State,  
24 including an activity or an athletic program of an educational institution; and

25 (ii) is owned by:

26 1. a nonprofit hospital;

27 2. a nonprofit charitable, fraternal, educational, or literary  
28 organization including:

29 A. a public library that is authorized under Title 23 of the  
30 Education Article; and

31 B. a men's or women's club that is a nonpolitical and  
32 nonstock club;



