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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							
Committee Report: Favorable with amendments House action: Adopted Read second time: March 25, 1998							
	CHAPTER						
1 A	AN ACT concerning						
2 3	Property Tax Exemption - Charitable Organizations - Abatement of Property Tax in Year of Transfer						
4 F 5 6 7 8	FOR the purpose of providing that, under certain circumstances, property tax on any certain property that becomes exempt during a taxable year is abated from the date during the taxable year when the instrument transferring title to certain charitable organizations is recorded; and providing for the application of this Act.						
9 B 10 11 12 13	SY repealing and reenacting, with amendments, Article - Tax - Property Section 7-104 and 7-202 Annotated Code of Maryland (1994 Replacement Volume and 1997 Supplement)						
14 15 I	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:						
16	Article - Tax - Property						
17	7-104.						
	(a) Except as provided in subsection (c) of this section and in [§ 7-215] §§ 7-202 AND 7-215 of this title, property tax on wholly exempt property shall be abated for the taxable year that follows the date on which the property became exempt						

		(b) If an owner of property subject to an exemption on June 30 files an plication for abatement on or before the following September 1 with the epartment or the supervisor, the tax is abated for the taxable year.						
		(c) If property that is exempt from property tax is transferred to a person use of the property qualifies the property for an exemption from the date of nsfer, then the property tax shall be abated from that date.						
7	7-202.							
8	(a)	In this s	section:					
9		(1)	"fraterna	al organiz	zation" means any organization that:			
10 11	beneficiarie	s;	(i)	is condu	acted solely for the benefit of its members and its			
12			(ii)	is opera	ted on a lodge system with a ritualistic activity; and			
13			(iii)	has a rej	presentative form of government;			
14		(2)	"fraterna	al organiz	zation" includes a sororal organization; and			
15		(3)	"fraterna	al organiz	zation" does not include:			
16			(i)	any coll	ege or high school fraternity or sorority; or			
	(ii) any other fraternal or sororal organization the membership of which is restricted wholly or largely to students or graduates of an educational institution or a professional school.							
20 21	(b) (1) Except as provided in subsection (c) of this section, property is not subject to property tax if the property:							
	(i) is necessary for and actually used exclusively for a charitable or educational purpose to promote the general welfare of the people of the State, including an activity or an athletic program of an educational institution; and							
25			(ii)	is owned	d by:			
26				1.	a nonprofit hospital;			
27 28	organization	n includir	ng:	2.	a nonprofit charitable, fraternal, educational, or literary			
29 30	Education Article; and			A.	a public library that is authorized under Title 23 of the			
31 32	nonstock cl	ub;		В.	a men's or women's club that is a nonpolitical and			

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1 2	benefit of an organization t	3. hat qualifies	a corporation or trustee that holds the property for the sole for an exemption under this section; or
3		4.	a nonprofit housing corporation.
		ally leased by	nder paragraph (1)(ii)1. of this subsection includes a nonprofit hospital for more than 1 year ept for cause.
9	property owned by an exer	npt organizat mpt from pro	profit hospital, not more than 100 acres of real ion and appurtenant to the premises of the operty tax, if the property is located outside of city.
11 12	(2) Not is appurtenant to the hospi		00 acres of real property of a nonprofit hospital that from property tax.
15 16 17 18	APPLICATION PROVID PROPERTY THAT IS TR QUALIFIED UNDER § 5 BECOMES EXEMPT UN	ED BY § 7-1 ANSFERRE 01(C)(3) OF IDER THIS S N THE INST	NDING § 7-104 OF THIS TITLE AND AFTER FILING THE 03 OF THIS TITLE, PROPERTY TAX ON ANY ED TO A NONPROFIT CHARITABLE ORGANIZATION THE INTERNAL REVENUE CODE AND THAT SECTION IS ABATED FROM THE DATE DURING THE RUMENT TRANSFERRING TITLE TO THE
	(I) CHARITABLE ORGANI REVENUE CODE;		OPERTY IS TRANSFERRED TO A NONPROFIT VALIFIED UNDER § 501(C)(3) OF THE INTERNAL
23	<u>(II)</u>	THE PR	OPERTY BECOMES EXEMPT UNDER THIS SECTION;
24 25 26		DEPARTM	OPERTY HAS A VALUE LESS THAN \$300,000 AS LISTED IN ENT ON THE DATE WHEN THE INSTRUMENT RGANIZATION IS RECORDED; AND
	(IV) DEPARTMENT EVIDEN AT THE PROPERTY SE	ICE OF THE	ONPROFIT CHARITABLE ORGANIZATION PROVIDES THE PROPERTY TAX IT ACTUALLY PAID OR REIMBURSED
	MAY NOT EXCEED TH	E AMOUNT	OF PROPERTY TAX ABATED UNDER THIS SUBSECTION OF PROPERTY TAX ACTUALLY PAID OR REIMBURSED AT THE PROPERTY SETTLEMENT.
			ER ENACTED, That this Act shall take effect all taxable years beginning after June 30,