
By: **Delegate M. Burns**

Introduced and read first time: March 4, 1998

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **State Property Tax - Phaseout of Rate Based on Required Appropriation**

3 FOR the purpose of requiring the Governor to include in the State budget for certain
4 fiscal years an appropriation that meets certain requirements so that the State
5 property tax rate may be set at certain rates.

6 BY repealing and reenacting, with amendments,
7 Article - State Finance and Procurement
8 Section 8-134
9 Annotated Code of Maryland
10 (1995 Replacement Volume and 1997 Supplement)

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

13 **Article - State Finance and Procurement**

14 8-134.

15 (a) (1) Subject to the provisions of subsection (b) of this section, on or before
16 May 1 of each year, the Board shall certify to the governing body of each county the
17 rate of State tax on assessable property needed to meet the debt service requirements
18 during the next taxable year on all the State bonds that the Board anticipates will be
19 outstanding during that year.

20 (2) For property that is described in § 7-301 of the Tax - Property
21 Article, the Board shall certify a rate of \$0 per \$100 of assessment.

22 (3) For all other property, including operating real property, the Board
23 shall certify a separate rate per \$100 of assessment.

24 (4) Each governing body immediately shall collect the tax at the rate
25 that the Board certifies under this section.

1 (b) If, on or before May 1 of any year, the Comptroller certifies to the Board
2 that the General Assembly has appropriated enough money to meet the debt service
3 requirements during the next taxable year on an issue of State bonds:

4 (1) the Board, by resolution, may determine that the tax otherwise
5 required by the enabling act under which those State bonds are issued need not be
6 imposed for that year; and

7 (2) the Governor, by proclamation issued under the resolution, shall
8 declare that the taxes otherwise required by the enabling act may not be collected
9 during that year.

10 (C) (1) FOR FISCAL YEAR 2000, THE GOVERNOR SHALL INCLUDE IN THE
11 STATE BUDGET AN APPROPRIATION THAT IS SUFFICIENT TO MEET THE DEBT
12 SERVICE REQUIREMENTS SO THAT THE STATE PROPERTY TAX RATE MAY BE SET AT
13 NOT MORE THAN \$0.14 PER \$ 100 ASSESSMENT FOR THE TAXABLE YEAR BEGINNING
14 JULY 1, 1999.

15 (2) FOR FISCAL YEAR 2001, THE GOVERNOR SHALL INCLUDE IN THE
16 STATE BUDGET AN APPROPRIATION THAT IS SUFFICIENT TO MEET THE DEBT
17 SERVICE REQUIREMENTS SO THAT THE STATE PROPERTY TAX RATE MAY BE SET AT
18 NOT MORE THAN \$0.07 PER \$100 ASSESSMENT FOR THE TAXABLE YEAR BEGINNING
19 JULY 1, 2000.

20 (3) FOR FISCAL YEAR 2002 AND EACH FISCAL YEAR THEREAFTER, THE
21 GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN APPROPRIATION THAT IS
22 SUFFICIENT TO MEET THE DEBT SERVICE REQUIREMENTS SO THAT THE STATE
23 PROPERTY TAX RATE MAY BE SET AT NOT MORE THAN \$0 PER \$100 ASSESSMENT FOR
24 THAT TAXABLE YEAR.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 1998.