

SENATE BILL 148

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Q1

1998 Regular Session  
(8lr0503)

**ENROLLED BILL**  
*-- Budget and Taxation/Ways and Means --*

Introduced by **Senators Hogan, Ruben, Van Hollen, and Collins**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Property Tax Exemption - Charitable Organizations - Abatement and**  
3 **Refund of 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; ~~providing that under certain circumstances~~  
8 ~~a transferee is entitled to a refund for property tax reimbursed to a transferor;~~  
9 and providing for the application of this Act.

10 BY repealing and reenacting, with amendments,  
11 Article - Tax - Property  
12 Section 7-104 and 7-202  
13 Annotated Code of Maryland  
14 (1994 Replacement Volume and 1997 Supplement)

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

3 **Article - Tax - Property**

4 7-104.

5 (a) Except as provided in subsection (c) of this section and in [§ 7-215 ] §§  
6 7-202 AND 7-215 of this title, property tax on wholly exempt property shall be abated  
7 for the taxable year that follows the date on which the property became exempt.

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

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

14 7-202.

15 (a) In this section:

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

17 (i) is conducted solely for the benefit of its members and its  
18 beneficiaries;

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

20 (iii) has a representative form of government;

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

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

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

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

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

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

32 (ii) is owned by:



1           (2)     ~~IF AT SETTLEMENT THE TRANSFEREE REIMBURSES THE~~  
2 ~~TRANSFEROR FOR ANY PROPERTY TAX PAID FOR THE REMAINDER OF THE TAXABLE~~  
3 ~~YEAR AFTER THE DATE THAT THE INSTRUMENT TRANSFERRING TITLE IS RECORDED,~~  
4 ~~THE TRANSFEREE IS ENTITLED TO A REFUND UNDER §§ 14-904 AND 14-905 OF THIS~~  
5 ~~ARTICLE FOR THE AMOUNT PAID AS REIMBURSEMENT.~~

6           (2)     THE AMOUNT OF PROPERTY TAX ABATED UNDER THIS SUBSECTION  
7 MAY NOT EXCEED THE AMOUNT OF PROPERTY TAX ACTUALLY PAID OR REIMBURSED  
8 BY AN ELIGIBLE ORGANIZATION AT THE PROPERTY SETTLEMENT.

9     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10 July 1, 1998 and shall be applicable to all taxable years beginning after June 30,  
11 1998.