

HOUSE BILL 392

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Q1
HB 1325/97 - W&M

1999 Regular Session
9r0950

By: **Delegates Healey, Taylor, Hixson, Bozman, Dembrow, Hecht, Heller,
Howard, Hurson, Finifter, Krysiak, Marriott, McKee, McIntosh, Owings,
Pitkin, Shriver, and Valderrama**

Introduced and read first time: February 8, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Truth in Taxation - Real Property Tax Assessments**

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
5 certain operating real property be set at a rate that is based on the rate for real
6 property under certain circumstances; altering the computation of certain
7 exemptions, credits, and penalties to reflect the change in computation of
8 assessments under this Act; requiring that an assessment for certain taxable
9 years be computed in a certain manner for certain purposes; altering certain tax
10 rates, limits on tax rates, debt limits, and certain formulas for computing State
11 aid to local governments, to reflect the changes in computation of assessments
12 under this Act; altering certain provisions of law relating to the constant yield
13 tax rate; requiring the Department of Assessments and Taxation to identify
14 certain provisions of law and submit a certain report to the General Assembly;
15 requiring a county or municipal corporation to include certain notices in the real
16 property tax bill for certain taxable years; altering the requirements for certain
17 information relating to the constant yield tax rate to be provided under certain
18 circumstances; requiring the Department to include certain statements in
19 certain assessment notices; requiring the Board of Public Works to certify a rate
20 of State tax on assessable property for a certain taxable year to reflect the
21 changes in the method of assessing real property under this Act; providing that,
22 on a certain date, real property tax rates shall be a certain percentage of the real
23 property tax rates effective on a certain date; providing for the intent of this Act;
24 requiring the Department to adopt regulations by a certain date to adjust the
25 valuation of use-valued property in a manner that would be revenue neutral
26 relative to this Act; providing for the revaluation of use-valued property;
27 providing for the construction, effective dates, and applicability of this Act;
28 defining certain terms; and generally relating to the method of computing the
29 assessment of property for property tax purposes.

30 BY repealing and reenacting, with amendments,

31 Article - Tax - Property

32 Section 1-101(b) and (c), 2-205, 6-302(b), 6-303(c), 6-308, 7-207(b), 8-103,

1 8-108, 8-109, 8-209(d), 8-211(j), 8-224(b), 8-233, 8-401(c) and (d), 9-103,
2 and 9-104(a)(13)
3 Annotated Code of Maryland
4 (1994 Replacement Volume and 1998 Supplement)

5 BY adding to
6 Article - Tax - Property
7 Section 8-422
8 Annotated Code of Maryland
9 (1994 Replacement Volume and 1998 Supplement)

10 BY repealing and reenacting, with amendments,
11 Article 24 - Political Subdivisions - Miscellaneous Provisions
12 Section 9-101(a) and 9-109
13 Annotated Code of Maryland
14 (1998 Replacement Volume and 1998 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article 25A - Chartered Counties of Maryland
17 Section 5(P)(1)(i)
18 Annotated Code of Maryland
19 (1998 Replacement Volume and 1998 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article 28 - Maryland-National Capital Park and Planning Commission
22 Section 3-103(a), 4-105(f), 6-106, 6-107(a) and (b), and 7-106(e)
23 Annotated Code of Maryland
24 (1997 Replacement Volume and 1998 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article 29 - Washington Suburban Sanitary District
27 Section 4-101(e)(2) and 6-106(a)
28 Annotated Code of Maryland
29 (1997 Replacement Volume and 1998 Supplement)

30 BY repealing and reenacting, with amendments,
31 Article 41 - Governor - Executive and Administrative Departments
32 Section 14-202(n)
33 Annotated Code of Maryland
34 (1997 Replacement Volume and 1998 Supplement)

35 BY repealing and reenacting, with amendments,
36 Article 45A - Industrial Development

1 Section 2(a) and (b)
2 Annotated Code of Maryland
3 (1998 Replacement Volume)

4 BY repealing and reenacting, with amendments,
5 Article 83A - Department of Business and Economic Development
6 Section 5-713
7 Annotated Code of Maryland
8 (1998 Replacement Volume)

9 BY repealing and reenacting, with amendments,
10 Article 88B - Department of State Police
11 Section 66(a)(4)
12 Annotated Code of Maryland
13 (1998 Replacement Volume)

14 BY repealing and reenacting, with amendments,
15 Article - Education
16 Section 5-202(a)(8)
17 Annotated Code of Maryland
18 (1997 Replacement Volume and 1998 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article - Transportation
21 Section 5-419(b)
22 Annotated Code of Maryland
23 (1993 Replacement Volume and 1998 Supplement)

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

26 **Article - Tax - Property**

27 1-101.

28 (b) "Assess" means:

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

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

35 (c) "Assessment" means:

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

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

5 6-302.

6 (b) (1) Except as provided in subsection (c) of this section, §§ 6-305 and
7 6-306 of this subtitle and § 6-203 of this title[,];

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

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

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

17 6-303.

18 (c) (1) Except as provided in subsection (a)(2) of this section and § 6-305 of
19 this subtitle[,];

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

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

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

29 7-207.

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

33 (1) a blind individual; or

34 (2) a surviving spouse.

1 8-103.

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

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

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

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

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

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

18 (5)] "3-year cycle" means a continuous series of 3 calendar year periods
19 beginning for each period with the 1st calendar year after the calendar year in which
20 a physical inspection of real property is made under § 8-104(b) of this subtitle.

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

22 (1)] determine the new statewide value[: and

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

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

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

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

30 (4) The assessment of the operating real property described in § 8-109(c)
31 of this [title] SUBTITLE is its value.

32 8-108.

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

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

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

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

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

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

11 (i) the assessment of operating land; and

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

14 (3) The assessment of operating personal property is the value of
15 operating personal property, less the assessment of operating personal property, if
16 any, that is exempt by law from property tax.

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

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

24 (d) (1) If operating property is located permanently in more than 1 county or
25 municipal corporation, the Department shall apportion the assessment of that
26 operating property among the counties and municipal corporations where the
27 operating property is located.

28 (2) If operating property is not located permanently in a county or a
29 municipal corporation, the Department shall apportion the assessment of that
30 operating property among the counties and municipal corporations on the basis of the
31 ratio of the all track mileage, excluding trackage rights, of the railroad operated in
32 each county and any municipal corporation, to the total of all track mileage, excluding
33 trackage rights, operated in this State.

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

1 8-109.

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

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

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

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

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

11 (i) [the assessment of operating land;

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

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

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

19 (ii) the value of operating real property is the assessment of
20 operating real property of a public utility.

21 (iii) the value of operating personal property is the assessment of
22 operating personal property of a public utility.

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

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

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

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

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

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

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

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

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

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

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

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

30 8-209.

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

33 8-211.

34 (j) If the assessment under subsection (i)(1)(ii) through (iv) of this section is
35 greater than the VALUE USED TO DETERMINE THE assessment under subsection (h)
36 of this section, the difference between the 2 [assessments] VALUATIONS is computed
37 in approximately equal annual steps that cover the number of taxable years between
38 the 2 [assessments] VALUATIONS, and the agreement holder owes property tax for
39 each taxable year payable at the property tax rates applicable for each taxable year.

1 8-224.

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

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

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

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

17 8-233.

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

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

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

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

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

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

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

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

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

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

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

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
9 the 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
16 bill 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
20 this 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
24 in 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
30 bill of rights; and

1 [(7)] (5) a statement that valuation records are available as provided by
2 § 14-201 of this article.

3 8-422.

4 FOR THE PURPOSE OF CONSTRUCTION OF ANY STATE OR LOCAL LAW, AN
5 ASSESSMENT OF REAL PROPERTY FOR A TAXABLE YEAR BEGINNING AFTER JUNE 30,
6 2000 THAT IS COMPARED TO AN ASSESSMENT THAT IS EFFECTIVE ON OR BEFORE
7 SEPTEMBER 30, 1999, SHALL BE COMPUTED SO THAT:

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

11 (2) THERE IS NO CHANGE IN THE AMOUNT OF TAX DUE, TAX RELIEF
12 AUTHORIZED, COMPUTATION OF ASSESSMENT RATIO, OR OTHER COMPUTATION
13 BASED ON ASSESSMENTS SOLELY AS A RESULT OF THE CHANGE IN THE METHOD OF
14 COMPUTING ASSESSMENTS EFFECTIVE OCTOBER 1, 1999.

15 9-103.

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

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

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

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

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

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

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

30 2. is partially devoted to a nonresidential use.

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

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

- 1 (i) not used for residential purposes;
- 2 (ii) used in a trade or business by a business entity that meets the
3 requirements of Article 83A, § 5-404 of the Code; and
- 4 (iii) located in an enterprise zone that is designated under Article
5 83A, § 5-402 of the Code.

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

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

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

- 15 (i) 80% in each of the 1st 5 taxable years following the calendar
16 year in which the property initially becomes a qualified property;
- 17 (ii) 70% in the 6th taxable year;
- 18 (iii) 60% in the 7th taxable year;
- 19 (iv) 50% in the 8th taxable year;
- 20 (v) 40% in the 9th taxable year; and
- 21 (vi) 30% in the 10th taxable year.

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

25 (3) For purposes of calculating the amount of the credit allowed under
26 this section, the amount of property tax imposed on the eligible assessment shall be
27 calculated without reduction for any credits allowed under this title.

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

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

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

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

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

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

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

10 (1) each qualified property;

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

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

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

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

20 (2) Within 5 working days after the Department of Assessments and
21 Taxation receives the request from the county or municipal corporation, the
22 Department shall certify to the Comptroller the reimbursement due to each county or
23 municipal corporation.

24 (3) Within 5 working days after the Comptroller receives the
25 certification from the Department, the Comptroller shall reimburse each county or
26 municipal corporation.

27 9-104.

28 (a) (13) "Total real property tax" means the product of the sum of all property
29 tax rates on real property, including special district tax rates, for the taxable year on
30 a dwelling, multiplied by the lesser of the assessed value of the dwelling or [\$60,000]
31 \$150,000; and then reduced by any property tax credit granted under § 9-105 of this
32 subtitle.

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

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

2 9-101.

3 (a) A county or municipal corporation that avails itself of the provisions of this
4 subtitle may impose a tax not exceeding [8] 3.2 cents on each \$100 of assessable REAL
5 property subject to the property tax in that county or municipal corporation OR 8
6 CENTS ON EACH \$100 OF ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL
7 PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE, to be collected
8 according to law.

9 9-109.

10 Each county or municipal corporation that avails itself of the provisions of this
11 subtitle by borrowing money or incurring indebtedness on its individual faith and
12 credit shall levy a tax not exceeding [8] 3.2 cents on each \$100 of assessable REAL
13 property subject to the property tax of that county or municipal corporation OR 8
14 CENTS ON EACH \$100 OF ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL
15 PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE, to be collected
16 according to law, in an amount that will repay in full with interest the money or
17 indebtedness incurred under this subtitle by the county or municipal corporation,
18 within the period of 2 years after the indebtedness was incurred.

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

20 5.

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

24 (P) Bonds or Evidences of Indebtedness

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

31 (i) The aggregate amount of bonds and other evidences of indebtedness
32 outstanding at any one time shall not exceed [15 per centum upon] A TOTAL OF 6
33 PERCENT OF the assessable basis OF REAL PROPERTY of the county AND 15 PERCENT
34 OF THE COUNTY'S ASSESSABLE BASIS OF PERSONAL PROPERTY AND OPERATING
35 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE OF THE
36 COUNTY, except that (a) tax anticipation notes or other evidences of indebtedness
37 having a maturity not in excess of 12 months, (b) bonds or other evidences of
38 indebtedness issued or guaranteed by the county payable primarily or exclusively
39 from taxes levied in or on, or other revenues of, special taxing areas or districts

1 heretofore or hereafter established by law, and (c) bonds or other evidences of
2 indebtedness issued for self-liquidating and other projects payable primarily or
3 exclusively from the proceeds of assessments or charges for special benefits or
4 services, shall not be subject to, or be included as bonds or evidences of indebtedness
5 in computing or applying, [said 15 per centum] THE 6 PERCENT limitation.

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

7 3-103.

8 (a) All of the area of Montgomery County not included within the
9 Maryland-Washington Metropolitan District as it is now or may hereafter be defined,
10 with the exception of the area now or hereafter located within the boundaries of
11 municipal corporations as defined in Article 23A, § 9 of the Code, is hereby added to
12 the Maryland-Washington Metropolitan District and is designated the "Upper
13 Montgomery County Metropolitan District". For purposes of taxation, this shall
14 constitute a special taxing district in which the Montgomery County Council is
15 authorized to levy annually a tax of not to exceed [five] 2 cents on each \$100 of
16 assessable REAL property within the Upper Montgomery County Metropolitan
17 District AND 5 CENTS ON EACH \$100 OF ASSESSABLE PERSONAL PROPERTY AND
18 OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY
19 ARTICLE WITHIN THE UPPER MONTGOMERY COUNTY METROPOLITAN DISTRICT,
20 which tax shall be collected and paid over to the Maryland-National Capital Park and
21 Planning Commission and shall be expended by the Commission for the acquisition,
22 maintenance and development of parks and playgrounds in the Upper Montgomery
23 County Metropolitan District, provided that no part of the revenue derived from such
24 tax shall be expended for the amortization of bonds or other certificates of
25 indebtedness.

26 4-105.

27 (f) Each supplementary agreement shall first be submitted for approval to the
28 County Council of Montgomery County or the County Commissioners of Prince
29 George's County, depending upon the location of the unit or units of park land
30 involved. The respective county shall approve the agreement, if it finds that (1) the
31 boundaries of the unit of land to be acquired pursuant to the supplementary
32 agreement are within the general park plan adopted by the contract or commitment
33 to which the agreement is supplementary; and (2) the Commission will be able to
34 meet the obligations to be incurred by it in the acquisition, including the payment of
35 interest on the obligations, from the proceeds of the [seven cent (7)] tax authorized
36 and directed to be levied in that portion of the metropolitan district lying within
37 Montgomery County or from the proceeds of the [five cent (5)] tax authorized and
38 directed to be levied in that portion of the metropolitan district lying within Prince
39 George's County. In determining whether the Commission will be able to meet the
40 obligation from the proceeds of the taxes, the County Council or County
41 Commissioners shall compute the proceeds upon the assessable basis of those
42 portions of the metropolitan district lying within Montgomery and Prince George's
43 Counties, respectively, for the fiscal year in which approval is sought and upon the

1 assumption that the entire tax levied will be collected so long as any of the obligations
2 to be incurred pursuant to the supplementary agreement are outstanding and unpaid.

3 6-106.

4 (a) Montgomery County shall levy against all of the property within that
5 portion of the metropolitan district within Montgomery County assessed for the
6 purposes of county taxation annually a tax of [nine] 3.6 cents on each \$100 of
7 assessed valuation OF REAL PROPERTY AND 9 CENTS ON EACH \$100 OF ASSESSED
8 VALUATION OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED
9 IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE. The tax shall be levied
10 notwithstanding the fact that no interest may be due on any bonds and/or
11 notwithstanding the fact that no bonds have been issued under this title. Every 60
12 days the tax so levied and collected to date by the county shall be remitted to the
13 Commission. The proceeds of the [nine cents] tax, after providing for debt service on
14 bonds issued pursuant to §§ 6-101 and 6-105 of this title may be used by the
15 Commission for policing the several parks or other areas under its jurisdiction and/or
16 for the purpose of acquisition, development, beautification, or maintenance of parks
17 and/or other areas and/or the establishment therein of playground and recreational
18 facilities as the Commission determines. In addition to the foregoing [nine cents]
19 mandatory tax, Montgomery County may levy against all property within that
20 portion of the metropolitan district within Montgomery County assessed for the
21 purposes of county taxation annually a tax of [two] 0.8 cents on each \$100 of assessed
22 valuation OF REAL PROPERTY AND 2 CENTS ON EACH \$100 OF ASSESSED VALUATION
23 OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C)
24 OF THE TAX - PROPERTY ARTICLE; this additional [two cents] tax shall be in lieu of,
25 and in complete satisfaction of, any and all obligations of the county to pay for any
26 part of the maintenance of the Commission's park system pursuant to § 8 of Chapter
27 761 of the Laws of Maryland, 1953, and all agreements executed pursuant to the
28 terms of that law.

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

33 (c) Of the tax which Prince George's County is authorized to levy in this title,
34 the county shall levy in each fiscal year at least [ten] 4 cents on each \$100 of assessed
35 value of all REAL property AND AT LEAST 10 CENTS ON EACH \$100 ASSESSED VALUE
36 OF ALL PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN §
37 8-109(C) OF THE TAX - PROPERTY ARTICLE, subject to assessment and taxation by the
38 county within that portion of the metropolitan district lying within Prince George's
39 County. The tax shall be levied and paid over to the Commission in the manner
40 prescribed elsewhere in this title. The proceeds of the collection of the tax shall be
41 applied primarily to the payment of the principal and interest of any bonds heretofore
42 or hereafter issued by the Commission for the acquisition of park lands in that
43 portion of the metropolitan district lying within Prince George's County pursuant to
44 the authority of this title and within the limitations on indebtedness prescribed in
45 this title. However, the proceeds of the tax shall also be paid to the Commission

1 notwithstanding the fact that no principal or interest payments may be due with
2 respect to any bonds and notwithstanding the fact that no bonds may be issued or
3 outstanding in any one fiscal year. It is the intent of this subsection to provide the
4 Commission with funds to finance the acquisition of park lands within that portion of
5 the metropolitan district lying within Prince George's County, either from current
6 revenues or by the issue of bonds, and furthermore, to provide the Commission with
7 funds necessary for the maintenance, operation, and development of park land so
8 acquired.

9 (d) The County Council of Montgomery County and the County Council of
10 Prince George's County may levy an ad valorem tax in Prince George's County and in
11 Montgomery County annually, in addition to all other taxes levied, for the benefit of
12 and on behalf of the Commission, upon all the property within the metropolitan
13 district assessed for county taxation purposes, as the metropolitan district is defined
14 at the time of the levy. Each county is authorized to pay the aggregate amount
15 collected by the tax to the Commission as they pay other funds collected by taxation
16 for the benefit of the Commission. The proceeds of the tax shall be expended by the
17 Commission for the acquisition, maintenance, development, and operation of the park
18 systems in the counties, as well as the debt service required by its outstanding bonds
19 or bonds issued in the future. The Commission shall expend or disburse that
20 proportion of tax collected from Montgomery County within Montgomery County and
21 that proportion collected from Prince George's County within Prince George's County.

22 (e) In each fiscal year beginning July 1, 1970, Prince George's County may
23 levy against all of the property in Prince George's County assessed for the purposes of
24 county taxation, annually, a tax for recreation. Every 60 days the tax so levied and
25 collected to date by the county shall be remitted to the Commission. The proceeds of
26 the tax shall be used by such Commission to finance its adopted budget for the
27 purpose of regulating, operating and maintaining recreation functions, programs,
28 facilities and personnel in Prince George's County as such Commission may
29 determine. A tax of not less than [five] 2 cents on each \$100 of assessed valuation OF
30 REAL PROPERTY AND NOT LESS THAN 5 CENTS ON EACH \$100 OF ASSESSED
31 VALUATION OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED
32 IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE shall be levied for recreation.

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

37 6-107.

38 (a) For the purpose of paying the current operating or administrative
39 expenses of the Commission, including the cost of the development of the plan of the
40 regional district or any part of the plan and including the cost of the exercise of the
41 powers and functions granted to the Commission, there shall be levied annually
42 against all the assessable property within the regional district by Montgomery and
43 Prince George's Counties, respectively, a tax of [three] 1.2 cents on each \$100 of
44 assessable REAL property within the regional district AND 3 CENTS ON EACH \$100 OF

1 ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN
2 § 8-109(C) OF THE TAX - PROPERTY ARTICLE. Each of the counties in each annual levy,
3 except as hereinafter provided, shall levy the tax on all property in its county within
4 the regional district, both real and personal, assessed for county tax purposes. These
5 taxes shall be levied and collected as county taxes are levied and collected; and they
6 shall have the same priority rights, bear the same interest and penalties, and in every
7 respect be treated the same as county taxes. The proceeds of the collection of the tax
8 shall be paid to the Commission and constitute the administrative fund of the
9 Commission. The expenditures of the Commission for operating or administrative
10 purposes shall be within the amount of the fund, together with additional funds
11 appropriated or contributed for these purposes by the two counties, the General
12 Assembly of Maryland, the United States, or private donors.

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

22 7-106.

23 (e) For the purposes of this section, in Prince George's County and
24 Montgomery County, the Commission may establish in its annual budget a continuing
25 land acquisition revolving fund from which disbursements for the purposes of this
26 section shall be made, and the Commission may issue and sell serial bonds from time
27 to time in amounts it deems necessary for this purpose. However, in Prince George's
28 County the County Council shall approve the Commission's issue and sale of bonds
29 concerning that county. The total amount of the bonds outstanding at any time may
30 not exceed an amount which can be redeemed within 30 years from the date of issue
31 by means of a tax of [three] 1.2 cents on each \$100 assessed valuation OF REAL
32 PROPERTY in Prince George's County and Montgomery County AND 3 CENTS ON
33 EACH \$100 ASSESSED VALUATION OF PERSONAL PROPERTY AND OPERATING REAL
34 PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE; in making
35 such calculation, assumptions may be made as set forth in § 6-101(b) of this article.
36 The provisions relating to form, interest rate, sale, redemption, guarantee, and
37 liability contained in § 6-101 (serial bonds, notes, and other obligations) shall be
38 equally applicable to bonds issued pursuant to the provisions of this section.

39 (1) (i) The Montgomery County Council may levy against all of the
40 property assessed for the purposes of county taxation, annually a tax of not less than
41 [one cent] 0.4 CENTS or more than [three] 1.2 cents on each \$100 of assessed
42 valuation OF REAL PROPERTY AND NOT LESS THAN 1 CENT OR MORE THAN 3 CENTS
43 ON EACH \$100 OF ASSESSED VALUATION OF PERSONAL PROPERTY AND OPERATING
44 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE. The tax
45 shall be levied notwithstanding the fact that no interest may be due on the bonds or

1 notes and/or notwithstanding the fact that no bonds or notes whatever have been
2 issued under this title.

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

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

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

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

23 4-101.

24 (e) (2) (I) Subject to paragraph (3) of this subsection, the aggregate
25 principal amount of bonds outstanding at any time, whether issued under this section
26 or under any other provision of law, may not exceed the larger of [7.0]:

27 1. THE SUM OF 3.8 percent of the total assessable base of all
28 REAL property assessed for county taxation purposes within the sanitary district AND
29 7.0 PERCENT OF THE TOTAL ASSESSABLE PERSONAL PROPERTY AND OPERATING
30 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE
31 ASSESSED FOR COUNTY TAXATION PURPOSES WITHIN THE SANITARY DISTRICT; or

32 2. [7.0] THE SUM OF 3.8 percent of the assessable base OF
33 ALL REAL PROPERTY ASSESSED FOR COUNTY TAXATION PURPOSES WITHIN THE
34 SANITARY DISTRICT as of July 1, 1997 AND 7.0 PERCENT OF THE TOTAL ASSESSABLE
35 PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF
36 THE TAX - PROPERTY ARTICLE ASSESSED FOR COUNTY TAXATION PURPOSES WITHIN
37 THE SANITARY DISTRICT AS OF JULY 1, 1997.

38 (II) The maximum debt level authorized under this subsection shall
39 apply to any bond issued under an enabling act of the General Assembly of Maryland

1 enacted on or after July 1, 1997, unless the enabling act specifically exempts the bond
2 by reference to or modification of this subsection.

3 6-106.

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

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

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

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

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

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

24 14-202.

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

29 **Article 45A - Industrial Development**

30 2.

31 (a) If any county shall so provide in the ordinance or resolution, declaring a
32 state of acute unemployment to exist, such county shall be deemed to be authorized
33 and empowered, from time to time, to issue and sell bonds or other certificates of
34 indebtedness in connection with the borrowing by it upon its full faith and credit of
35 the sums necessary to make the grants authorized by § 1 of this article; provided,
36 however, that the total amount of bonds or other certificates of indebtedness which
37 may be issued and outstanding at any one time shall not exceed an amount which is
38 equal to [two tenths of one percent (.2%)] A TOTAL OF 0.08% of the total assessed

1 valuation of all REAL property within such county subject to taxation at the full
 2 county tax rate AND 0.2% OF THE TOTAL ASSESSED VALUATION OF ALL PERSONAL
 3 PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX -
 4 PROPERTY ARTICLE WITHIN SUCH COUNTY SUBJECT TO TAXATION AT THE FULL
 5 COUNTY TAX RATE.

6 (b) The bonds hereby authorized to be issued shall be known as "industrial
 7 development bonds" and shall bear interest at a rate not exceeding five and one-half
 8 percent (5 1/2%), payable semiannually and shall mature serially over a period of
 9 thirty years, the amount of maturities to be fixed by the governing body of such
 10 county. Said bonds shall be the general obligation of the county issuing the same and
 11 shall be exempt, both as to principal and interest, from all forms of taxation imposed
 12 by the State, county, or municipal authorities within the State of Maryland. The form
 13 of the bonds shall be such as may be adopted or prescribed by the governing body of
 14 the county issuing the same. Any certificates of indebtedness, other than bonds
 15 authorized hereby, shall bear interest at such rate as may be determined by the
 16 governing body of the county issuing the same and shall mature at such time, or
 17 times, not exceeding five years, as may be specified by the governing body of such
 18 county. Such certificates of indebtedness shall be the general obligations of the county
 19 issuing the same and shall be exempt from taxation to the same extent as the bonds
 20 authorized hereby. It shall be no defense to a suit for collection of the principal of any
 21 bond or other certificate of indebtedness, or for any interest accrued thereon, that an
 22 acute unemployment state did not in fact exist as declared in the resolution or
 23 ordinance of the county issuing such bond or certificate of indebtedness, nor shall it
 24 be any defense to any such suit that the amount of bonds or other certificates of
 25 indebtedness which may be issued and outstanding at any one time shall in fact
 26 exceed [two tenths of one percentum (.2%)] A TOTAL OF 0.08% of the total assessed
 27 value of all REAL property within such county subject to taxation at the full county tax
 28 rate AND 0.2% OF THE TOTAL ASSESSED VALUE OF ALL PERSONAL PROPERTY AND
 29 OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY
 30 ARTICLE WITHIN SUCH COUNTY SUBJECT TO TAXATION AT THE FULL COUNTY TAX
 31 RATE.

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

33 5-713.

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

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

2 66.

3 (a) (4) "Adjusted assessed valuation of real property" [shall be as reported
 4 by the State Department of Assessments and Taxation as of July 1 of the second fiscal
 5 year preceding the fiscal year for which the calculation of State aid is to be made, plus
 6 50% of new property assessed between July 1 and December 31 of such second
 7 preceding fiscal year. Thus, State aid for the first year of this grant shall be based on
 8 assessed valuation as of July 1, 1966 plus 50% of new property assessed between July
 9 1, 1966 and December 31, 1966; and State aid for succeeding years on corresponding
 10 succeeding assessments] MEANS, FOR FISCAL YEAR 1999 AND EACH FISCAL YEAR
 11 THEREAFTER, 40% OF THE ASSESSED VALUATION OF REAL PROPERTY REPORTED BY
 12 THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION AS OF JULY 1 OF THE
 13 SECOND FISCAL YEAR PRECEDING THE FISCAL YEAR FOR WHICH THE CALCULATION
 14 OF STATE AID IS TO BE MADE, PLUS 20% OF NEW PROPERTY ASSESSED BETWEEN
 15 JULY 1 AND DECEMBER 31 OF THE SECOND PRECEDING FISCAL YEAR. "Real
 16 property" shall have the meaning, and assessed valuation shall be subject to the
 17 adjustments for under- or over-assessment, as presently provided by § 5-202 of the
 18 Education Article.

19 **Article - Education**

20 5-202.

- 21 (a) (8) "Wealth" means the sum of:
- 22 (i) Net taxable income;
- 23 (ii) [The] 40 PERCENT OF THE assessed valuation of real property;
- 24 and
- 25 (iii) 50 percent of assessed value of personal property.

26 **Article - Transportation**

27 5-419.

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

33 (2) A political subdivision may not issue any bonds under this section in
 34 an amount that, together with the aggregate amount of all other bonded indebtedness
 35 of the political subdivision, exceeds [10] A TOTAL OF 4 percent of the total assessed
 36 valuation of the REAL property located in the political subdivision AND 10 PERCENT
 37 OF THE TOTAL ASSESSED VALUATION OF PERSONAL PROPERTY AND OPERATING

1 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE LOCATED
2 IN THE POLITICAL SUBDIVISION.

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

5 **Article - Tax - Property**

6 2-205.

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

- 8 (1) the county council or board of county commissioners of a county;
9 (2) the City Council of Baltimore City; and
10 (3) the governing body of a municipal corporation.

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

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

15 (ii) an estimate of the total assessment:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 6-308.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 "..... (NAME OF JURISDICTION) NOTICE
 27 OF A PROPOSED
 28 REAL PROPERTY TAX INCREASE

29 The (name of taxing authority) of (name of jurisdiction) proposes to
 30 increase REAL property taxes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 "Constant Yield Tax Rate

13 1. In the last taxable year the county (or Baltimore City) REAL property tax
14 rate was....., and the certified assessment of the net assessable REAL property was
15 \$..... . The assessment multiplied by the rate produced REAL property tax revenues of
16 \$..... .

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

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

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

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

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

31 SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1,
32 1999, the Department of Assessments and Taxation shall identify any provisions of
33 the Annotated Code of Maryland or the Code of Public Local Laws that are rendered
34 inaccurate or obsolete as a result of this Act and, in accordance with § 2-1246 of the
35 State Government Article, shall submit a report to the General Assembly on its
36 findings with recommendations for any amendments to the Codes.

1 SECTION 5. AND BE IT FURTHER ENACTED, That, for the taxable year
 2 beginning July 1, 1999, each county shall include the following statement on or with
 3 each real property tax bill:

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 1999, has required that
 7 property tax rates on real property be based on a full cash value assessment. As a
 8 result, on October 1, 1999, your real property tax rates will be reduced to 40% of the
 9 rate effective July 1, 1999. As an example of how this will work for the taxable year
 10 beginning July 1, 1999, your county real property tax rate of \$_____ per \$100 of
 11 assessment will be \$_____ per \$100 of assessment on October 1, 1999. Your property
 12 taxes owed will remain the same unless changed by some other State or local
 13 legislative action."

14 SECTION 6. AND BE IT FURTHER ENACTED, That, for the taxable year
 15 beginning July 1, 2000:

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

19 "..... (NAME OF JURISDICTION) NOTICE
 20 OF A PROPOSED
 21 REAL PROPERTY TAX INCREASE

22 Important Notice to Taxpayers

23 In order to make real property tax bills simpler and easier to understand, the
 24 General Assembly, under Chapter _____ of the Acts of 1999, has required that
 25 property tax rates on real property be based on a full cash value assessment. As a
 26 result, on October 1, 1999, real property tax rates were reduced to 40% of the rate
 27 effective July 1, 1999. The county real property tax rate of \$_____ per \$100 of
 28 assessment on July 1, 1999 was reduced to \$_____ per \$100 of assessment on October
 29 1, 1999. The change in method of assessment had no effect on actual tax liability for
 30 the taxable year beginning July 1, 1999.

31 Notice of Constant Yield Tax Rate

32 The (name of taxing authority) of (name of jurisdiction) proposes to
 33 increase real property taxes.

34 1. For the tax year beginning July 1, 2000, the estimated real property
 35 assessable base will increase by%, from \$..... as of October 1, 1999 to \$..... as of
 36 July 1, 2000.

1 2. If (name of jurisdiction) maintains the current real property tax rate,
2 effective October 1, 1999, of \$..... per \$100 of assessment, real property tax revenues
3 will increase by% resulting in \$..... of new real property tax revenues.

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

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

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

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

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

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

18 "Important Notice to Taxpayers

19 In order to make real property tax bills simpler and easier to understand, the
20 General Assembly, under Chapter _____ of the Acts of 1999, has required that
21 property tax rates on real property be based on a full cash value assessment. As a
22 result, on October 1, 1999, your real property tax rates were reduced to 40% of the
23 rate effective July 1, 1999. Your county property tax rate of \$_____ per \$100 of
24 assessment on July 1, 1999 was reduced to \$_____ per \$100 of assessment on October
25 1, 1999. The change in method of assessment had no effect on your actual tax liability
26 for the taxable year beginning July 1, 1999.

27 Constant Yield Tax Rate

28 1. In the last taxable year the county (or Baltimore City) real property tax
29 rate as of October 1, 1999 was, and the certified assessment of the net assessable
30 real property as of October 1, 1999 was \$..... . The assessment multiplied by the rate
31 produced real property tax revenues of \$..... .

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

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

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

3 (1) Effective October 1, 1999, real property tax rates, for purposes of
4 application against the full value assessment established by Section 1 of this Act,
5 shall be 40% of the real property tax rates effective July 1, 1999;

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

8 (3) Any limit on a local tax rate in a local law or charter provision in
9 effect on September 30, 1999 that is expressed as a rate to be applied to an
10 assessment of real property, shall be construed to mean a rate equal to 40% times the
11 rate stated in the local law or charter provision; and any debt limit in a local law or
12 charter provision in effect on September 30, 1999 that is expressed as a percentage of
13 an assessment of real property or assessable base of real property, shall be construed
14 to mean a percentage equal to 40% times the percentage stated in the local law or
15 charter provision; and

16 (4) This Act may not be construed to alter or affect the fiscal impact of
17 any provision of State or local law or county or municipal charter on any computation
18 prescribed by law or regulation that uses property tax assessments as part of the
19 computation.

20 SECTION 8. AND BE IT FURTHER ENACTED, That, for the taxable year
21 beginning July 1, 2000, notwithstanding § 8-134 of the State Finance and
22 Procurement Article, the Board of Public Works shall certify a rate of State tax on
23 assessable property that reflects the changes in the method of assessing real property
24 under this Act.

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

32 SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding
33 Section 1 and Section 5 of this Act, for the taxable year beginning July 1, 1999, the tax
34 rate and assessment used to compute property tax due under § 10-103, § 10-104, §
35 10-105, or § 10-204.3 of the Tax - Property Article shall be the tax rate and
36 assessment effective as of July 1, 1999.

37 SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding §
38 9-105(a)(5) and (e)(1) of the Tax - Property Article, for the taxable year beginning
39 July 1, 2000 only, the homestead property tax credit shall be computed by:

40 (1) Multiplying the taxable assessments for the taxable year beginning
41 July 1, 1999 for State, county, or municipal purposes, respectively, by 2.5;

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

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

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

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

8 SECTION 12. AND BE IT FURTHER ENACTED, That, on or before October 1,
9 1999, the Department of Assessments and Taxation shall adopt regulations applicable
10 to the taxable year beginning July 1, 2000 to adjust the valuation of use-valued
11 property in a manner that would be revenue neutral relative to this Act.
12 Notwithstanding § 8-104(b) of the Tax - Property Article, the Department shall
13 revalue all use-valued property for the date of finality January 1, 2000 pursuant to
14 the adjusted use valuation rates.

15 SECTION 13. AND BE IT FURTHER ENACTED, That Sections 1, 3, 6, 8, and
16 11 of this Act shall take effect October 1, 1999 and shall be applicable to all taxable
17 years beginning after June 30, 2000.

18 SECTION 14. AND BE IT FURTHER ENACTED, That Section 2 of this Act
19 shall take effect June 1, 2000 and shall be applicable to all taxable years beginning
20 after June 30, 2000.

21 SECTION 15. AND BE IT FURTHER ENACTED, That, except as provided in
22 Sections 13 and 14 of this Act, this Act shall take effect June 1, 1999.