

HOUSE BILL 392

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HB 1325/97 - W&M

1999 Regular Session  
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By: **Delegates Healey, Taylor, Hixson, Bozman, Dembrow, Hecht, Heller,  
Howard, Hurson, Finifter, Krysiak, Marriott, McKee, McIntosh, Owings,  
Pitkin, Shriver, and Valderrama Valderrama, Carlson, Conroy, Crvor,  
Patterson, Phillips, and Rosso**

Introduced and read first time: February 8, 1999  
Assigned to: Ways and Means

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 9, 1999

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CHAPTER \_\_\_\_\_

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

1 relative to this Act; providing for the revaluation of use-valued property;  
2 providing for the construction, effective dates, and applicability of this Act;  
3 defining certain terms; and generally relating to the method of computing the  
4 assessment of property for property tax purposes.

5 BY repealing and reenacting, with amendments,  
6 Article - Tax - Property  
7 Section 1-101(b) and (c), 2-205, 6-302(b), 6-303(c), 6-308, 7-207(b), 8-103,  
8 8-108, 8-109, 8-209(d), 8-211(j), 8-224(b), 8-233, 8-401(c) and (d), 9-103,  
9 and 9-104(a)(13)  
10 Annotated Code of Maryland  
11 (1994 Replacement Volume and 1998 Supplement)

12 BY adding to  
13 Article - Tax - Property  
14 Section 8-422  
15 Annotated Code of Maryland  
16 (1994 Replacement Volume and 1998 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article 24 - Political Subdivisions - Miscellaneous Provisions  
19 Section 9-101(a) and 9-109  
20 Annotated Code of Maryland  
21 (1998 Replacement Volume and 1998 Supplement)

22 BY repealing and reenacting, with amendments,  
23 Article 25A - Chartered Counties of Maryland  
24 Section 5(P)(1)(i)  
25 Annotated Code of Maryland  
26 (1998 Replacement Volume and 1998 Supplement)

27 BY repealing and reenacting, with amendments,  
28 Article 28 - Maryland-National Capital Park and Planning Commission  
29 Section 3-103(a), 4-105(f), 6-106, 6-107(a) and (b), and 7-106(e)  
30 Annotated Code of Maryland  
31 (1997 Replacement Volume and 1998 Supplement)

32 BY repealing and reenacting, with amendments,  
33 Article 29 - Washington Suburban Sanitary District  
34 Section 4-101(e)(2) and 6-106(a)  
35 Annotated Code of Maryland  
36 (1997 Replacement Volume and 1998 Supplement)

37 BY repealing and reenacting, with amendments,

1 Article 41 - Governor - Executive and Administrative Departments  
2 Section 14-202(n)  
3 Annotated Code of Maryland  
4 (1997 Replacement Volume and 1998 Supplement)

5 BY repealing and reenacting, with amendments,  
6 Article 45A - Industrial Development  
7 Section 2(a) and (b)  
8 Annotated Code of Maryland  
9 (1998 Replacement Volume)

10 BY repealing and reenacting, with amendments,  
11 Article 83A - Department of Business and Economic Development  
12 Section 5-713  
13 Annotated Code of Maryland  
14 (1998 Replacement Volume)

15 BY repealing and reenacting, with amendments,  
16 Article 88B - Department of State Police  
17 Section 66(a)(4)  
18 Annotated Code of Maryland  
19 (1998 Replacement Volume)

20 BY repealing and reenacting, with amendments,  
21 Article - Education  
22 Section 5-202(a)(8)  
23 Annotated Code of Maryland  
24 (1997 Replacement Volume and 1998 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article - Transportation  
27 Section 5-419(b)  
28 Annotated Code of Maryland  
29 (1993 Replacement Volume and 1998 Supplement)

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

32 **Article - Tax - Property**

33 1-101.

34 (b) "Assess" means:

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

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

7 (c) "Assessment" means:

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

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

12 6-302.

13 (b) (1) Except as provided in subsection (c) of this section, §§ 6-305 and  
14 6-306 of this subtitle and § 6-203 of this title[.];

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

18 (II) THE COUNTY TAX RATE APPLICABLE TO PERSONAL PROPERTY  
19 AND THE OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS ARTICLE  
20 FOR TAXABLE YEARS BEGINNING AFTER JUNE 30, ~~1998~~ 2000 SHALL BE 2.5 TIMES THE  
21 RATE FOR REAL PROPERTY.

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

24 6-303.

25 (c) (1) Except as provided in subsection (a)(2) of this section and § 6-305 of  
26 this subtitle[.];

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

30 (II) THE MUNICIPAL TAX RATE APPLICABLE TO PERSONAL  
31 PROPERTY AND THE OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS  
32 ARTICLE FOR TAXABLE YEARS BEGINNING AFTER JUNE 30, ~~1998~~ 2000 SHALL BE 2.5  
33 TIMES THE RATE FOR REAL PROPERTY.

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

1 7-207.

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

5 (1) a blind individual; or

6 (2) a surviving spouse.

7 8-103.

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

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

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

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

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

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

24 (5)] "3-year cycle" means a continuous series of 3 calendar year periods  
25 beginning for each period with the 1st calendar year after the calendar year in which  
26 a physical inspection of real property is made under § 8-104(b) of this subtitle.

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

28 (1)] determine the new statewide value[; and

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

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

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

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

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

5 8-108.

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

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

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

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

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

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

18 (i) the assessment of operating land; and

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

21 (3) The assessment of operating personal property is the value of  
22 operating personal property, less the assessment of operating personal property, if  
23 any, that is exempt by law from property tax.

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

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

31 (d) (1) If operating property is located permanently in more than 1 county or  
32 municipal corporation, the Department shall apportion the assessment of that  
33 operating property among the counties and municipal corporations where the  
34 operating property is located.

35 (2) If operating property is not located permanently in a county or a  
36 municipal corporation, the Department shall apportion the assessment of that

1 operating property among the counties and municipal corporations on the basis of the  
2 ratio of the all track mileage, excluding trackage rights, of the railroad operated in  
3 each county and any municipal corporation, to the total of all track mileage, excluding  
4 trackage rights, operated in this State.

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

7 8-109.

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

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

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

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

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

17 (i) [the assessment of operating land;

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

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

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

25 (ii) the value of operating real property is the assessment of  
26 operating real property of a public utility.

27 (iii) the value of operating personal property is the assessment of  
28 operating personal property of a public utility.

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

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

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

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

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

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

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

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

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

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

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

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

36 8-209.

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



1 8-211.

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

8 8-224.

9 (b) (1) If a part of any land that meets the requirements of § 8-221 of this  
10 subtitle is rezoned at the request of the owner to a zoning classification that does not  
11 meet the requirements of § 8-221 of this subtitle, the assessment of that part under §  
12 8-222 of this subtitle shall be terminated and the part shall be assessed at the greater  
13 value determined under § 8-223 of this subtitle.

14 (2) When a property is assessed under paragraph (1) of this subsection, a  
15 deferred property tax is due for the amount of the difference, if any, between the  
16 assessment of the land under § 8-222 of this subtitle and the assessment under §  
17 8-223 of this subtitle for each year in which the assessment was determined under §  
18 8-222 of this subtitle.

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

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

24 8-233.

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

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

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

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

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

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

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

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

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

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

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

8 (3) criteria to determine what changes are required for the health or  
9 medical condition.

10 8-401.

11 (c) The notice for subsection (b)(1) of this section shall include:

12 (1) [the amount of the current assessment;

13 (2) the portion of the assessment subject to State taxation;

14 (3)] the amount of the current value;

15 [(4)] (2) the amount of the proposed value including a statement that  
16 the total amount of the proposed value is the value for purposes of appeal;

17 [(5)] (3) the amount of the proposed value that will be the basis for the  
18 assessment in each year of the 3-year cycle;

19 [(6) the amount of the assessment for each year of the 3-year cycle;

20 (7)] (4) a statement:

21 (i) indicating the right to appeal; and

22 (ii) briefly describing the appeal process and the property owner's  
23 bill of rights; and

24 [(8)] (5) a statement that valuation records are available as provided by  
25 § 14-201 of this article.

26 (d) In the instance of notices required in subsection (b)(2), (3), (4), and (5) of  
27 this section, the notice shall include:

28 (1) the amount of the current value;

29 (2) the amount of the proposed or final value;

30 (3) the amount of the proposed value that is the basis for the assessment  
31 in the applicable years of the 3-year cycle;

- 1            [(4)    the amount of the assessment for each year of the 3-year cycle;
- 2            (5)    the portion of the assessment subject to State taxation;
- 3            (6)] (4)    a statement:
- 4                    (i)    indicating the right of appeal; and
- 5                    (ii)    briefly describing the appeal process and the property owner's
- 6 bill of rights; and
- 7            [(7)] (5)    a statement that valuation records are available as provided by
- 8 § 14-201 of this article.
- 9 8-422.

10        FOR THE PURPOSE OF CONSTRUCTION OF ANY STATE OR LOCAL LAW, AN

11 ASSESSMENT OF REAL PROPERTY FOR A TAXABLE YEAR BEGINNING AFTER JUNE 30,

12 2000 THAT IS COMPARED TO AN ASSESSMENT THAT IS EFFECTIVE ON OR BEFORE

13 SEPTEMBER 30, 1999, SHALL BE COMPUTED SO THAT:

14            (1)    THE TWO ASSESSMENTS ARE COMPARED AT THE SAME PERCENT OF

15 VALUE, AND ANY TAX RATE APPLIED TO THE ASSESSMENTS IS ADJUSTED

16 PROPORTIONATELY, IF NECESSARY; AND

17            (2)    THERE IS NO CHANGE IN THE AMOUNT OF TAX DUE, TAX RELIEF

18 AUTHORIZED, COMPUTATION OF ASSESSMENT RATIO, OR OTHER COMPUTATION

19 BASED ON ASSESSMENTS SOLELY AS A RESULT OF THE CHANGE IN THE METHOD OF

20 COMPUTING ASSESSMENTS EFFECTIVE OCTOBER 1, 1999.

21 9-103.

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

23            (2)    "Base year" means the taxable year immediately before the taxable

24 year in which a property tax credit under this section is to be granted.

25            (3)    (i)    "Base year [assessment] VALUE" means THE VALUE OF THE

26 PROPERTY USED TO DETERMINE the assessment on which the property tax on real

27 property was imposed for the base year.

28                    (ii)    "Base year [assessment] VALUE" does not include any new real

29 property that was first assessed in the base year.

30            (4)    (i)    "Business entity" means a person who operates or conducts a

31 trade or business.

32                    (ii)    "Business entity" includes a person who owns, operates,

33 develops, constructs, or rehabilitates real property, if the real property:

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

3                                   2.           is partially devoted to a nonresidential use.

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

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

9                                   (i)       not used for residential purposes;

10                                  (ii)       used in a trade or business by a business entity that meets the  
11 requirements of Article 83A, § 5-404 of the Code; and

12                                  (iii)      located in an enterprise zone that is designated under Article  
13 83A, § 5-402 of the Code.

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

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

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

23                                  (i)       80% in each of the 1st 5 taxable years following the calendar  
24 year in which the property initially becomes a qualified property;

25                                  (ii)      70% in the 6th taxable year;

26                                  (iii)     60% in the 7th taxable year;

27                                  (iv)     50% in the 8th taxable year;

28                                  (v)      40% in the 9th taxable year; and

29                                  (vi)     30% in the 10th taxable year.

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

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

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

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

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

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

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

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

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

20 (1) each qualified property;

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

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

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

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

30 (2) Within 5 working days after the Department of Assessments and  
31 Taxation receives the request from the county or municipal corporation, the  
32 Department shall certify to the Comptroller the reimbursement due to each county or  
33 municipal corporation.

34 (3) Within 5 working days after the Comptroller receives the  
35 certification from the Department, the Comptroller shall reimburse each county or  
36 municipal corporation.

1 9-104.

2 (a) (13) "Total real property tax" means the product of the sum of all property  
3 tax rates on real property, including special district tax rates, for the taxable year on  
4 a dwelling, multiplied by the lesser of the assessed value of the dwelling or [\$60,000]  
5 \$150,000; and then reduced by any property tax credit granted under § 9-105 of this  
6 subtitle.

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

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

10 9-101.

11 (a) A county or municipal corporation that avails itself of the provisions of this  
12 subtitle may impose a tax not exceeding [8] 3.2 cents on each \$100 of assessable REAL  
13 property subject to the property tax in 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.

17 9-109.

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

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

28 5.

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

32 (P) Bonds or Evidences of Indebtedness

33 (1) To provide for the borrowing of moneys on the faith and credit of the county  
34 and for the issuance of bonds or other evidences of indebtedness therefor in such  
35 sums, for such purposes, on such terms and payable at such times, and from such  
36 taxes or other sources as may have been or may be provided by or pursuant to local

1 law, subject to any limitations imposed by the charter adopted by the county and to  
2 the following limitations:

3 (i) The aggregate amount of bonds and other evidences of indebtedness  
4 outstanding at any one time shall not exceed [15 per centum upon] A TOTAL OF 6  
5 PERCENT OF the assessable basis OF REAL PROPERTY of the county AND 15 PERCENT  
6 OF THE COUNTY'S ASSESSABLE BASIS OF PERSONAL PROPERTY AND OPERATING  
7 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE OF THE  
8 COUNTY, except that (a) tax anticipation notes or other evidences of indebtedness  
9 having a maturity not in excess of 12 months, (b) bonds or other evidences of  
10 indebtedness issued or guaranteed by the county payable primarily or exclusively  
11 from taxes levied in or on, or other revenues of, special taxing areas or districts  
12 heretofore or hereafter established by law, and (c) bonds or other evidences of  
13 indebtedness issued for self-liquidating and other projects payable primarily or  
14 exclusively from the proceeds of assessments or charges for special benefits or  
15 services, shall not be subject to, or be included as bonds or evidences of indebtedness  
16 in computing or applying, [said 15 per centum] THE 6 PERCENT limitation.

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

18 3-103.

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

37 4-105.

38 (f) Each supplementary agreement shall first be submitted for approval to the  
39 County Council of Montgomery County or the County Commissioners of Prince  
40 George's County, depending upon the location of the unit or units of park land  
41 involved. The respective county shall approve the agreement, if it finds that (1) the  
42 boundaries of the unit of land to be acquired pursuant to the supplementary  
43 agreement are within the general park plan adopted by the contract or commitment

1 to which the agreement is supplementary; and (2) the Commission will be able to  
2 meet the obligations to be incurred by it in the acquisition, including the payment of  
3 interest on the obligations, from the proceeds of the [seven cent (7)] tax authorized  
4 and directed to be levied in that portion of the metropolitan district lying within  
5 Montgomery County or from the proceeds of the [five cent (5)] tax authorized and  
6 directed to be levied in that portion of the metropolitan district lying within Prince  
7 George's County. In determining whether the Commission will be able to meet the  
8 obligation from the proceeds of the taxes, the County Council or County  
9 Commissioners shall compute the proceeds upon the assessable basis of those  
10 portions of the metropolitan district lying within Montgomery and Prince George's  
11 Counties, respectively, for the fiscal year in which approval is sought and upon the  
12 assumption that the entire tax levied will be collected so long as any of the obligations  
13 to be incurred pursuant to the supplementary agreement are outstanding and unpaid.

14 6-106.

15 (a) Montgomery County shall levy against all of the property within that  
16 portion of the metropolitan district within Montgomery County assessed for the  
17 purposes of county taxation annually a tax of [nine] 3.6 cents on each \$100 of  
18 assessed valuation OF REAL PROPERTY AND 9 CENTS ON EACH \$100 OF ASSESSED  
19 VALUATION OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED  
20 IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE. The tax shall be levied  
21 notwithstanding the fact that no interest may be due on any bonds and/or  
22 notwithstanding the fact that no bonds have been issued under this title. Every 60  
23 days the tax so levied and collected to date by the county shall be remitted to the  
24 Commission. The proceeds of the [nine cents] tax, after providing for debt service on  
25 bonds issued pursuant to §§ 6-101 and 6-105 of this title may be used by the  
26 Commission for policing the several parks or other areas under its jurisdiction and/or  
27 for the purpose of acquisition, development, beautification, or maintenance of parks  
28 and/or other areas and/or the establishment therein of playground and recreational  
29 facilities as the Commission determines. In addition to the foregoing [nine cents]  
30 mandatory tax, Montgomery County may levy against all property within that  
31 portion of the metropolitan district within Montgomery County assessed for the  
32 purposes of county taxation annually a tax of [two] 0.8 cents on each \$100 of assessed  
33 valuation OF REAL PROPERTY AND 2 CENTS ON EACH \$100 OF ASSESSED VALUATION  
34 OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C)  
35 OF THE TAX - PROPERTY ARTICLE; this additional [two cents] tax shall be in lieu of,  
36 and in complete satisfaction of, any and all obligations of the county to pay for any  
37 part of the maintenance of the Commission's park system pursuant to § 8 of Chapter  
38 761 of the Laws of Maryland, 1953, and all agreements executed pursuant to the  
39 terms of that law.

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

44 (c) Of the tax which Prince George's County is authorized to levy in this title,  
45 the county shall levy in each fiscal year at least [ten] 4 cents on each \$100 of assessed



1 value of all REAL property AND AT LEAST 10 CENTS ON EACH \$100 ASSESSED VALUE  
2 OF ALL PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN §  
3 8-109(C) OF THE TAX - PROPERTY ARTICLE, subject to assessment and taxation by the  
4 county within that portion of the metropolitan district lying within Prince George's  
5 County. The tax shall be levied and paid over to the Commission in the manner  
6 prescribed elsewhere in this title. The proceeds of the collection of the tax shall be  
7 applied primarily to the payment of the principal and interest of any bonds heretofore  
8 or hereafter issued by the Commission for the acquisition of park lands in that  
9 portion of the metropolitan district lying within Prince George's County pursuant to  
10 the authority of this title and within the limitations on indebtedness prescribed in  
11 this title. However, the proceeds of the tax shall also be paid to the Commission  
12 notwithstanding the fact that no principal or interest payments may be due with  
13 respect to any bonds and notwithstanding the fact that no bonds may be issued or  
14 outstanding in any one fiscal year. It is the intent of this subsection to provide the  
15 Commission with funds to finance the acquisition of park lands within that portion of  
16 the metropolitan district lying within Prince George's County, either from current  
17 revenues or by the issue of bonds, and furthermore, to provide the Commission with  
18 funds necessary for the maintenance, operation, and development of park land so  
19 acquired.

20 (d) The County Council of Montgomery County and the County Council of  
21 Prince George's County may levy an ad valorem tax in Prince George's County and in  
22 Montgomery County annually, in addition to all other taxes levied, for the benefit of  
23 and on behalf of the Commission, upon all the property within the metropolitan  
24 district assessed for county taxation purposes, as the metropolitan district is defined  
25 at the time of the levy. Each county is authorized to pay the aggregate amount  
26 collected by the tax to the Commission as they pay other funds collected by taxation  
27 for the benefit of the Commission. The proceeds of the tax shall be expended by the  
28 Commission for the acquisition, maintenance, development, and operation of the park  
29 systems in the counties, as well as the debt service required by its outstanding bonds  
30 or bonds issued in the future. The Commission shall expend or disburse that  
31 proportion of tax collected from Montgomery County within Montgomery County and  
32 that proportion collected from Prince George's County within Prince George's County.

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

44 (f) Taxes authorized under subsections (a), (b), (c), and (d) of this section shall  
45 be levied and collected as county taxes are levied and collected. These taxes shall have

1 the same priority rights, bear the same interest and penalties, and in every other  
2 respect be treated the same as county taxes.

3 6-107.

4 (a) For the purpose of paying the current operating or administrative  
5 expenses of the Commission, including the cost of the development of the plan of the  
6 regional district or any part of the plan and including the cost of the exercise of the  
7 powers and functions granted to the Commission, there shall be levied annually  
8 against all the assessable property within the regional district by Montgomery and  
9 Prince George's Counties, respectively, a tax of [three] 1.2 cents on each \$100 of  
10 assessable REAL property within the regional district AND 3 CENTS ON EACH \$100 OF  
11 ASSESSABLE PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN  
12 § 8-109(C) OF THE TAX - PROPERTY ARTICLE. Each of the counties in each annual levy,  
13 except as hereinafter provided, shall levy the tax on all property in its county within  
14 the regional district, both real and personal, assessed for county tax purposes. These  
15 taxes shall be levied and collected as county taxes are levied and collected; and they  
16 shall have the same priority rights, bear the same interest and penalties, and in every  
17 respect be treated the same as county taxes. The proceeds of the collection of the tax  
18 shall be paid to the Commission and constitute the administrative fund of the  
19 Commission. The expenditures of the Commission for operating or administrative  
20 purposes shall be within the amount of the fund, together with additional funds  
21 appropriated or contributed for these purposes by the two counties, the General  
22 Assembly of Maryland, the United States, or private donors.

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

32 7-106.

33 (e) For the purposes of this section, in Prince George's County and  
34 Montgomery County, the Commission may establish in its annual budget a continuing  
35 land acquisition revolving fund from which disbursements for the purposes of this  
36 section shall be made, and the Commission may issue and sell serial bonds from time  
37 to time in amounts it deems necessary for this purpose. However, in Prince George's  
38 County the County Council shall approve the Commission's issue and sale of bonds  
39 concerning that county. The total amount of the bonds outstanding at any time may  
40 not exceed an amount which can be redeemed within 30 years from the date of issue  
41 by means of a tax of [three] 1.2 cents on each \$100 assessed valuation OF REAL  
42 PROPERTY in Prince George's County and Montgomery County AND 3 CENTS ON  
43 EACH \$100 ASSESSED VALUATION OF PERSONAL PROPERTY AND OPERATING REAL  
44 PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE; in making

1 such calculation, assumptions may be made as set forth in § 6-101(b) of this article.  
 2 The provisions relating to form, interest rate, sale, redemption, guarantee, and  
 3 liability contained in § 6-101 (serial bonds, notes, and other obligations) shall be  
 4 equally applicable to bonds issued pursuant to the provisions of this section.

5 (1) (i) The Montgomery County Council may levy against all of the  
 6 property assessed for the purposes of county taxation, annually a tax of not less than  
 7 [one cent] 0.4 CENTS or more than [three] 1.2 cents on each \$100 of assessed  
 8 valuation OF REAL PROPERTY AND NOT LESS THAN 1 CENT OR MORE THAN 3 CENTS  
 9 ON EACH \$100 OF ASSESSED VALUATION OF PERSONAL PROPERTY AND OPERATING  
 10 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE. The tax  
 11 shall be levied notwithstanding the fact that no interest may be due on the bonds or  
 12 notes and/or notwithstanding the fact that no bonds or notes whatever have been  
 13 issued under this title.

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

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

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

### 33 **Article 29 - Washington Suburban Sanitary District**

34 4-101.

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

38 1. THE SUM OF 3.8 percent of the total assessable base of all  
 39 REAL property assessed for county taxation purposes within the sanitary district AND  
 40 7.0 PERCENT OF THE TOTAL ASSESSABLE PERSONAL PROPERTY AND OPERATING



**Article 45A - Industrial Development**

1

2 2.

3 (a) If any county shall so provide in the ordinance or resolution, declaring a  
4 state of acute unemployment to exist, such county shall be deemed to be authorized  
5 and empowered, from time to time, to issue and sell bonds or other certificates of  
6 indebtedness in connection with the borrowing by it upon its full faith and credit of  
7 the sums necessary to make the grants authorized by § 1 of this article; provided,  
8 however, that the total amount of bonds or other certificates of indebtedness which  
9 may be issued and outstanding at any one time shall not exceed an amount which is  
10 equal to [two tenths of one percent (.2%)] A TOTAL OF 0.08% of the total assessed  
11 valuation of all REAL property within such county subject to taxation at the full  
12 county tax rate AND 0.2% OF THE TOTAL ASSESSED VALUATION OF ALL PERSONAL  
13 PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX -  
14 PROPERTY ARTICLE WITHIN SUCH COUNTY SUBJECT TO TAXATION AT THE FULL  
15 COUNTY TAX RATE.

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

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

2 5-713.

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

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

13 66.

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

30 **Article - Education**

31 5-202.

32 (a) (8) "Wealth" means the sum of:  
 33 (i) Net taxable income;  
 34 (ii) [The] 40 PERCENT OF THE assessed valuation of real property;  
 35 and  
 36 (iii) 50 percent of assessed value of personal property.

1

**Article - Transportation**

2 5-419.

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

8 (2) A political subdivision may not issue any bonds under this section in  
9 an amount that, together with the aggregate amount of all other bonded indebtedness  
10 of the political subdivision, exceeds [10] A TOTAL OF 4 percent of the total assessed  
11 valuation of the REAL property located in the political subdivision AND 10 PERCENT  
12 OF THE TOTAL ASSESSED VALUATION OF PERSONAL PROPERTY AND OPERATING  
13 REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE LOCATED  
14 IN THE POLITICAL SUBDIVISION.

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

17

**Article - Tax - Property**

18 2-205.

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

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

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

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

27 (ii) an estimate of the total assessment:

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

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

32 (2) The Department shall notify each taxing authority of any change in  
33 the estimated assessment of all REAL property in the county or the municipal

1 corporation that results from actions of a property tax assessment appeal board or the  
2 Maryland Tax Court.

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

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

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

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

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

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

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

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

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

27 (2) The Attorney General shall investigate the report forwarded by the  
28 Director. If the Attorney General finds that a taxing authority violated the  
29 requirements of § 6-308 of this article, the Attorney General shall institute  
30 appropriate legal action to effect compliance with the requirements of § 6-308 of this  
31 article.

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

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



1 6-308.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 "..... (NAME OF JURISDICTION) NOTICE  
5 OF A PROPOSED  
6 REAL PROPERTY TAX INCREASE

7 The ..... (name of taxing authority) of ..... (name of jurisdiction) proposes to  
8 increase REAL property taxes.

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

11 2. If ..... (name of jurisdiction) maintains the current tax rate of \$..... per  
12 \$100 of assessment, REAL property tax revenues will increase by .....% resulting in  
13 \$..... of new REAL property tax revenues.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 "Constant Yield Tax Rate

24 1. In the last taxable year the county (or Baltimore City) REAL property tax  
 25 rate was....., and the certified assessment of the net assessable REAL property was  
 26 \$..... . The assessment multiplied by the rate produced REAL property tax revenues of  
 27 \$..... .

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

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

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

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

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

8 SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1,  
 9 1999, the Department of Assessments and Taxation shall identify any provisions of  
 10 the Annotated Code of Maryland or the Code of Public Local Laws that are rendered  
 11 inaccurate or obsolete as a result of this Act and, in accordance with § 2-1246 of the  
 12 State Government Article, shall submit a report to the General Assembly on its  
 13 findings with recommendations for any amendments to the Codes.

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

17 "Important Notice to Taxpayers

18 In order to make real property tax bills simpler and easier to understand, the  
 19 General Assembly, under Chapter \_\_\_\_\_ of the Acts of 1999, has required that  
 20 property tax rates on real property be based on a full cash value assessment. As a  
 21 result, on October 1, 1999, your real property tax rates will be reduced to 40% of the  
 22 rate effective July 1, 1999. As an example of how this will work for the taxable year  
 23 beginning July 1, 1999, your county real property tax rate of \$\_\_\_\_\_ per \$100 of  
 24 assessment will be \$\_\_\_\_\_ per \$100 of assessment on October 1, 1999. Your property  
 25 taxes owed will remain the same unless changed by some other State or local  
 26 legislative action."

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

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

32 "..... (NAME OF JURISDICTION) NOTICE  
 33 OF A PROPOSED  
 34 REAL PROPERTY TAX INCREASE

35 Important Notice to Taxpayers

36 In order to make real property tax bills simpler and easier to understand, the  
 37 General Assembly, under Chapter \_\_\_\_\_ of the Acts of 1999, has required that  
 38 property tax rates on real property be based on a full cash value assessment. As a

1 result, on October 1, 1999, real property tax rates were reduced to 40% of the rate  
2 effective July 1, 1999. The county real property tax rate of \$\_\_\_\_\_ per \$100 of  
3 assessment on July 1, 1999 was reduced to \$\_\_\_\_\_ per \$100 of assessment on October  
4 1, 1999. The change in method of assessment had no effect on actual tax liability for  
5 the taxable year beginning July 1, 1999.

6 Notice of Constant Yield Tax Rate

7 The ..... (name of taxing authority) of ..... (name of jurisdiction) proposes to  
8 increase real property taxes.

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

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

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

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

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

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

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

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

29 "Important Notice to Taxpayers

30 In order to make real property tax bills simpler and easier to understand, the  
31 General Assembly, under Chapter \_\_\_\_\_ of the Acts of 1999, has required that  
32 property tax rates on real property be based on a full cash value assessment. As a  
33 result, on October 1, 1999, your real property tax rates were reduced to 40% of the  
34 rate effective July 1, 1999. Your county property tax rate of \$\_\_\_\_\_ per \$100 of  
35 assessment on July 1, 1999 was reduced to \$\_\_\_\_\_ per \$100 of assessment on October  
36 1, 1999. The change in method of assessment had no effect on your actual tax liability  
37 for the taxable year beginning July 1, 1999.

## 1 Constant Yield Tax Rate

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

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

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

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

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

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

20 (3) Any limit on a local tax rate in a local law or charter provision in  
21 effect on September 30, 1999 that is expressed as a rate to be applied to an  
22 assessment of real property, shall be construed to mean a rate equal to 40% times the  
23 rate stated in the local law or charter provision; and any debt limit in a local law or  
24 charter provision in effect on September 30, 1999 that is expressed as a percentage of  
25 an assessment of real property or assessable base of real property, shall be construed  
26 to mean a percentage equal to 40% times the percentage stated in the local law or  
27 charter provision; and

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

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

37 SECTION 9. AND BE IT FURTHER ENACTED, That, if the governing body of  
38 a municipal corporation has set a special tax rate for any class of personal property  
39 under § 6-303(a) of the Tax - Property Article, the municipal tax rate effective  
40 October 1, 1999, and applicable to that class of property for the taxable year

1 beginning July 1, 1999 shall be 2.5 times the rate for real property for that taxable  
2 year multiplied by the ratio applicable to the taxable year beginning July 1, 1999 of  
3 its special rate to its real property tax rate.

4 SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding  
5 Section 1 and Section 5 of this Act, for the taxable year beginning July 1, 1999, the tax  
6 rate and assessment used to compute property tax due under § 10-103, § 10-104, §  
7 10-105, or § 10-204.3 of the Tax - Property Article shall be the tax rate and  
8 assessment effective as of July 1, 1999.

9 SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding §  
10 9-105(a)(5) and (e)(1) of the Tax - Property Article, for the taxable year beginning  
11 July 1, 2000 only, the homestead property tax credit shall be computed by:

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

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

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

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

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

21 SECTION 12. AND BE IT FURTHER ENACTED, That, on or before October 1,  
22 1999, the Department of Assessments and Taxation shall adopt regulations applicable  
23 to the taxable year beginning July 1, 2000 to adjust the valuation of use-valued  
24 property in a manner that would be revenue neutral relative to this Act.  
25 Notwithstanding § 8-104(b) of the Tax - Property Article, the Department shall  
26 revalue all use-valued property for the date of finality January 1, 2000 pursuant to  
27 the adjusted use valuation rates.

28 SECTION 13. AND BE IT FURTHER ENACTED, That Sections 1, 3, 6, 8, and  
29 11 of this Act shall take effect October 1, 1999 and shall be applicable to all taxable  
30 years beginning after June 30, 2000.

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

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

