

SENATE BILL 626

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HB 392/99 - W&M

2000 Regular Session
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By: **Senator Currie**
Introduced and read first time: February 4, 2000
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 22, 2000

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

1 would be revenue neutral relative to this Act; providing for the revaluation of
2 use-valued property; providing for the construction, effective dates, and
3 applicability of this Act; defining certain terms; and generally relating to the
4 method of computing the 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, 6-301(a), 6-302(b), 6-303(c), 6-308, 7-207(b),
8 8-103, 8-108(c), 8-109(c), 8-209(d), 8-211(j), 8-224(b), 8-233(d), 8-401(c)
9 and (d), 9-103(a)(3) and (5) and (g), and 9-104(a)(13)
10 Annotated Code of Maryland
11 (1994 Replacement Volume and 1999 Supplement)

12 BY adding to
13 Article - Tax - Property
14 Section 8-422
15 Annotated Code of Maryland
16 (1994 Replacement Volume and 1999 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 1999 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 1999 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 1999 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 1999 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 1999 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 and 1999 Supplement)

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 and 1999 Supplement)

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 and 1999 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article - Education
22 Section 5-202(a)(8)
23 Annotated Code of Maryland
24 (1999 Replacement Volume)

25 BY repealing and reenacting, with amendments,
26 Article - State Finance and Procurement
27 Section 8-134(a)
28 Annotated Code of Maryland
29 (1995 Replacement Volume and 1999 Supplement)

30 BY repealing and reenacting, with amendments,
31 Article - Transportation
32 Section 5-419(b)
33 Annotated Code of Maryland
34 (1993 Replacement Volume and 1999 Supplement)

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

Article - Tax - Property

1-101.

(b) "Assess" means:

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

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

(c) "Assessment" means:

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

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

6-301.

(a) Except as provided in subsection (b) of this section, the Board of Public Works annually shall set the [rate] RATES for State property tax for the next taxable year as authorized by the General Assembly.

6-302.

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

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

(II) THE COUNTY TAX RATE APPLICABLE TO PERSONAL PROPERTY AND THE OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS ARTICLE FOR TAXABLE YEARS BEGINNING AFTER JUNE 30, 2001 SHALL BE 2.5 TIMES THE RATE FOR REAL PROPERTY.

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

6-303.

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

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

4 (II) THE MUNICIPAL TAX RATE APPLICABLE TO PERSONAL
5 PROPERTY AND THE OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THIS
6 ARTICLE FOR TAXABLE YEARS BEGINNING AFTER JUNE 30, 2001 SHALL BE 2.5 TIMES
7 THE RATE FOR REAL PROPERTY.

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

10 7-207.

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

14 (1) a blind individual; or

15 (2) a surviving spouse.

16 8-103.

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

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

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

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

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

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

33 (5)] "3-year cycle" means a continuous series of 3 calendar year periods
34 beginning for each period with the 1st calendar year after the calendar year in which
35 a physical inspection of real property is made under § 8-104(b) of this subtitle.

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

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

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

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

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

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

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

11 8-108.

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

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

17 (i) the assessment of operating land; and

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

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

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

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

30 8-109.

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

33 (i) [the assessment of operating land;

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

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

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

8 (ii) The value of operating real property is the assessment of
9 operating real property of a public utility.

10 (iii) The value of operating personal property is the assessment of
11 operating personal property of a public utility.

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

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

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

21 8-209.

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

24 8-211.

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

31 8-224.

32 (b) (1) If a part of any land that meets the requirements of § 8-221 of this
33 subtitle is rezoned at the request of the owner to a zoning classification that does not
34 meet the requirements of § 8-221 of this subtitle, the assessment of that part under §
35 8-222 of this subtitle shall be terminated and the part shall be assessed at the greater
36 value determined under § 8-223 of this subtitle.

1 (2) When a property is assessed under paragraph (1) of this subsection, a
2 deferred property tax is due for the amount of the difference, if any, between the
3 assessment of the land under § 8-222 of this subtitle and the assessment under §
4 8-223 of this subtitle for each year in which the assessment was determined under §
5 8-222 of this subtitle.

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

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

11 8-233.

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

15 8-401.

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

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

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

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

20 [(4)] (2) the amount of the proposed value including a statement that
21 the total amount of the proposed value is the value for purposes of appeal;

22 [(5)] (3) the amount of the proposed value that will be the basis for the
23 assessment in each year of the 3-year cycle;

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

25 (7)] (4) a statement:

26 (i) indicating the right to appeal; and

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

29 [(8)] (5) a statement that valuation records are available as provided by
30 § 14-201 of this article.

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

33 (1) the amount of the current value;

- 1 (2) the amount of the proposed or final value;
- 2 (3) the amount of the proposed value that is the basis for the assessment
3 in the applicable years of the 3-year cycle;
- 4 [(4) the amount of the assessment for each year of the 3-year cycle;
- 5 (5) the portion of the assessment subject to State taxation;
- 6 (6)] (4) a statement:
- 7 (i) indicating the right of appeal; and
- 8 (ii) briefly describing the appeal process and the property owner's
9 bill of rights; and
- 10 [(7)] (5) a statement that valuation records are available as provided by
11 § 14-201 of this article.

12 8-422.

13 FOR THE PURPOSE OF CONSTRUCTION OF ANY STATE OR LOCAL LAW, AN
14 ASSESSMENT OF REAL PROPERTY FOR A TAXABLE YEAR BEGINNING AFTER JUNE 30,
15 2001 THAT IS COMPARED TO AN ASSESSMENT THAT IS EFFECTIVE ON OR BEFORE
16 SEPTEMBER 30, 2000, SHALL BE COMPUTED SO THAT:

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

20 (2) THERE IS NO CHANGE IN THE AMOUNT OF TAX DUE, TAX RELIEF
21 AUTHORIZED, COMPUTATION OF ASSESSMENT RATIO, OR OTHER COMPUTATION
22 BASED ON ASSESSMENTS SOLELY AS A RESULT OF THE CHANGE IN THE METHOD OF
23 COMPUTING ASSESSMENTS EFFECTIVE OCTOBER 1, 2000.

24 9-103.

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

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

- 1 (1) each qualified property;
- 2 (2) the amount of the base year [assessment] VALUE for each qualified
3 property; and
- 4 (3) the amount of the eligible assessment for each qualified property.

5 9-104.

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

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

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

14 9-101.

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

21 9-109.

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

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

32 5.

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

1 (P) Bonds or Evidences of Indebtedness

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

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

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

23 3-103.

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

1 4-105.

2 (f) Each supplementary agreement shall first be submitted for approval to the
3 County Council of Montgomery County or the County Commissioners of Prince
4 George's County, depending upon the location of the unit or units of park land
5 involved. The respective county shall approve the agreement, if it finds that (1) the
6 boundaries of the unit of land to be acquired pursuant to the supplementary
7 agreement are within the general park plan adopted by the contract or commitment
8 to which the agreement is supplementary; and (2) the Commission will be able to
9 meet the obligations to be incurred by it in the acquisition, including the payment of
10 interest on the obligations, from the proceeds of the [seven cent (7)] tax authorized
11 and directed to be levied in that portion of the metropolitan district lying within
12 Montgomery County or from the proceeds of the [five cent (5)] tax authorized and
13 directed to be levied in that portion of the metropolitan district lying within Prince
14 George's County. In determining whether the Commission will be able to meet the
15 obligation from the proceeds of the taxes, the County Council or County
16 Commissioners shall compute the proceeds upon the assessable basis of those
17 portions of the metropolitan district lying within Montgomery and Prince George's
18 Counties, respectively, for the fiscal year in which approval is sought and upon the
19 assumption that the entire tax levied will be collected so long as any of the obligations
20 to be incurred pursuant to the supplementary agreement are outstanding and unpaid.

21 6-106.

22 (a) Montgomery County shall levy against all of the property within that
23 portion of the metropolitan district within Montgomery County assessed for the
24 purposes of county taxation annually a tax of [nine] 3.6 cents on each \$100 of
25 assessed valuation OF REAL PROPERTY AND 9 CENTS ON EACH \$100 OF ASSESSED
26 VALUATION OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED
27 IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE. The tax shall be levied
28 notwithstanding the fact that no interest may be due on any bonds and/or
29 notwithstanding the fact that no bonds have been issued under this title. Every 60
30 days the tax so levied and collected to date by the county shall be remitted to the
31 Commission. The proceeds of the [nine cents] tax, after providing for debt service on
32 bonds issued pursuant to §§ 6-101 and 6-105 of this title may be used by the
33 Commission for policing the several parks or other areas under its jurisdiction and/or
34 for the purpose of acquisition, development, beautification, or maintenance of parks
35 and/or other areas and/or the establishment therein of playground and recreational
36 facilities as the Commission determines. In addition to the foregoing [nine cents]
37 mandatory tax, Montgomery County may levy against all property within that
38 portion of the metropolitan district within Montgomery County assessed for the
39 purposes of county taxation annually a tax of [two] 0.8 cents on each \$100 of assessed
40 valuation OF REAL PROPERTY AND 2 CENTS ON EACH \$100 OF ASSESSED VALUATION
41 OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C)
42 OF THE TAX - PROPERTY ARTICLE; this additional [two cents] tax shall be in lieu of,
43 and in complete satisfaction of, any and all obligations of the county to pay for any
44 part of the maintenance of the Commission's park system pursuant to § 8 of Chapter
45 761 of the Laws of Maryland, 1953, and all agreements executed pursuant to the
46 terms of that law.

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

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

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

39 (e) In each fiscal year beginning July 1, 1970, Prince George's County may
40 levy against all of the property in Prince George's County assessed for the purposes of
41 county taxation, annually, a tax for recreation. Every 60 days the tax so levied and
42 collected to date by the county shall be remitted to the Commission. The proceeds of
43 the tax shall be used by such Commission to finance its adopted budget for the
44 purpose of regulating, operating and maintaining recreation functions, programs,
45 facilities and personnel in Prince George's County as such Commission may
46 determine. A tax of not less than [five] 2 cents on each \$100 of assessed valuation OF

1 REAL PROPERTY AND NOT LESS THAN 5 CENTS ON EACH \$100 OF ASSESSED
2 VALUATION OF PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED
3 IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE shall be levied for recreation.

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

8 6-107.

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

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

37 7-106.

38 (e) For the purposes of this section, in Prince George's County and
39 Montgomery County, the Commission may establish in its annual budget a continuing
40 land acquisition revolving fund from which disbursements for the purposes of this
41 section shall be made, and the Commission may issue and sell serial bonds from time
42 to time in amounts it deems necessary for this purpose. However, in Prince George's
43 County the County Council shall approve the Commission's issue and sale of bonds

1 concerning that county. The total amount of the bonds outstanding at any time may
2 not exceed an amount which can be redeemed within 30 years from the date of issue
3 by means of a tax of [three] 1.2 cents on each \$100 assessed valuation OF REAL
4 PROPERTY in Prince George's County and Montgomery County AND 3 CENTS ON
5 EACH \$100 ASSESSED VALUATION OF PERSONAL PROPERTY AND OPERATING REAL
6 PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY ARTICLE; in making
7 such calculation, assumptions may be made as set forth in § 6-101(b) of this article.
8 The provisions relating to form, interest rate, sale, redemption, guarantee, and
9 liability contained in § 6-101 (serial bonds, notes, and other obligations) shall be
10 equally applicable to bonds issued pursuant to the provisions of this section.

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

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

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

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

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

2 4-101.

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

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

11 2. [7.0] THE SUM OF 3.8 percent of the assessable base OF
12 ALL REAL PROPERTY ASSESSED FOR COUNTY TAXATION PURPOSES WITHIN THE
13 SANITARY DISTRICT as of July 1, 1997 AND 7.0 PERCENT OF THE TOTAL ASSESSABLE
14 PERSONAL PROPERTY AND OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF
15 THE TAX - PROPERTY ARTICLE ASSESSED FOR COUNTY TAXATION PURPOSES WITHIN
16 THE SANITARY DISTRICT AS OF JULY 1, 1997.

17 (II) The maximum debt level authorized under this subsection shall
18 apply to any bond issued under an enabling act of the General Assembly of Maryland
19 enacted on or after July 1, 1997, unless the enabling act specifically exempts the bond
20 by reference to or modification of this subsection.

21 6-106.

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

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

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

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

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

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

5 14-202.

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

10 **Article 45A - Industrial Development**

11 2.

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

25 (b) The bonds hereby authorized to be issued shall be known as "industrial
26 development bonds" and shall bear interest at a rate not exceeding five and one-half
27 percent (5 1/2%), payable semiannually and shall mature serially over a period of
28 thirty years, the amount of maturities to be fixed by the governing body of such
29 county. Said bonds shall be the general obligation of the county issuing the same and
30 shall be exempt, both as to principal and interest, from all forms of taxation imposed
31 by the State, county, or municipal authorities within the State of Maryland. The form
32 of the bonds shall be such as may be adopted or prescribed by the governing body of
33 the county issuing the same. Any certificates of indebtedness, other than bonds
34 authorized hereby, shall bear interest at such rate as may be determined by the
35 governing body of the county issuing the same and shall mature at such time, or
36 times, not exceeding five years, as may be specified by the governing body of such
37 county. Such certificates of indebtedness shall be the general obligations of the county
38 issuing the same and shall be exempt from taxation to the same extent as the bonds
39 authorized hereby. It shall be no defense to a suit for collection of the principal of any
40 bond or other certificate of indebtedness, or for any interest accrued thereon, that an
41 acute unemployment state did not in fact exist as declared in the resolution or
42 ordinance of the county issuing such bond or certificate of indebtedness, nor shall it

1 be any defense to any such suit that the amount of bonds or other certificates of
 2 indebtedness which may be issued and outstanding at any one time shall in fact
 3 exceed [two tenths of one percentum (.2%)] A TOTAL OF 0.08% of the total assessed
 4 value of all REAL property within such county subject to taxation at the full county tax
 5 rate AND 0.2% OF THE TOTAL ASSESSED VALUE OF ALL PERSONAL PROPERTY AND
 6 OPERATING REAL PROPERTY DESCRIBED IN § 8-109(C) OF THE TAX - PROPERTY
 7 ARTICLE WITHIN SUCH COUNTY SUBJECT TO TAXATION AT THE FULL COUNTY TAX
 8 RATE.

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

10 5-713.

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

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

21 66.

22 (a) As used in this subtitle:

23 (4) "Adjusted assessed valuation of real property" [shall be as reported
 24 by the State Department of Assessments and Taxation as of July 1 of the second fiscal
 25 year preceding the fiscal year for which the calculation of State aid is to be made, plus
 26 50% of new property assessed between July 1 and December 31 of such second
 27 preceding fiscal year. Thus, State aid for the first year of this grant shall be based on
 28 assessed valuation as of July 1, 1966 plus 50% of new property assessed between July
 29 1, 1966 and December 31, 1966; and State aid for succeeding years on corresponding
 30 succeeding assessments] MEANS, FOR FISCAL YEAR 2000 AND EACH FISCAL YEAR
 31 THEREAFTER, 40% OF THE ASSESSED VALUATION OF REAL PROPERTY REPORTED BY
 32 THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION AS OF JULY 1 OF THE
 33 SECOND FISCAL YEAR PRECEDING THE FISCAL YEAR FOR WHICH THE CALCULATION
 34 OF STATE AID IS TO BE MADE, PLUS 20% OF NEW PROPERTY ASSESSED BETWEEN
 35 JULY 1 AND DECEMBER 31 OF THE SECOND PRECEDING FISCAL YEAR. "Real
 36 property" shall have the meaning, and assessed valuation shall be subject to the
 37 adjustments for under- or over-assessment, as presently provided by § 5-202 of the
 38 Education Article.

1

Article - Education

2 5-202.

3 (a) (8) "Wealth" means the sum of:

4 (i) Net taxable income;

5 (ii) [The] 40 PERCENT OF THE assessed valuation of real property;

6 and

7 (iii) 50 percent of assessed value of personal property.

8

Article - State Finance and Procurement9 8-134.

10 (a) (1) Subject to the provisions of subsection (b) of this section, on or before
 11 May 1 of each year, the Board shall certify to the governing body of each county the
 12 [rate] RATES of State tax on assessable property needed to meet the debt service
 13 requirements during the next taxable year on all the State bonds that the Board
 14 anticipates will be outstanding during that year.

15 (2) Each governing body immediately shall collect the tax at the [rate]
 16 RATES the Board certifies under this section.

17

Article - Transportation

18 5-419.

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

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

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

Article - Tax - Property

1 2-205.

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

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

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

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

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

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

10 (ii) an estimate of the total assessment:

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

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

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

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

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

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

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

30 (ii) to correct an error in the calculation of the constant yield tax
31 rate.
32

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

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

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

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

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

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

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

22 6-308.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 "..... (NAME OF JURISDICTION) NOTICE
24 OF A PROPOSED
25 REAL PROPERTY TAX INCREASE

26 The (name of taxing authority) of (name of jurisdiction) proposes to
27 increase REAL property taxes.

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

30 2. If (name of jurisdiction) maintains the current tax rate of \$..... per
31 \$100 of assessment, REAL property tax revenues will increase by% resulting in
32 \$..... of new REAL property tax revenues.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 "Constant Yield Tax Rate

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

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

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

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

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

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

28 SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1,
29 2000, the Department of Assessments and Taxation shall identify any provisions of
30 the Annotated Code of Maryland or the Code of Public Local Laws that are rendered
31 inaccurate or obsolete as a result of this Act and, in accordance with § 2-1246 of the
32 State Government Article, shall submit a report to the General Assembly on its
33 findings with recommendations for any amendments to the Codes.

34 SECTION 5. AND BE IT FURTHER ENACTED, That, for the taxable year
35 beginning July 1, 2000, each county shall include the following statement on or with
36 each real property tax bill:

1 "Important Notice to Taxpayers

2 In order to make real property tax bills simpler and easier to understand, the
 3 General Assembly, under Chapter _____ of the Acts of 2000, has required that
 4 property tax rates on real property be based on a full cash value assessment. As a
 5 result, on October 1, 2000, your real property tax rates will be reduced to 40% of the
 6 rate effective July 1, 2000. As an example of how this will work for the taxable year
 7 beginning July 1, 2000, your county real property tax rate of \$_____ per \$100 of
 8 assessment will be \$_____ per \$100 of assessment on October 1, 2000. Your property
 9 taxes owed will remain the same unless changed by some other State or local
 10 legislative action."

11 SECTION 6. AND BE IT FURTHER ENACTED, That, for the taxable year
 12 beginning July 1, 2001:

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

16 "..... (NAME OF JURISDICTION) NOTICE
 17 OF A PROPOSED
 18 REAL PROPERTY TAX INCREASE

19 Important Notice to Taxpayers

20 In order to make real property tax bills simpler and easier to understand, the
 21 General Assembly, under Chapter _____ of the Acts of 2000, has required that
 22 property tax rates on real property be based on a full cash value assessment. As a
 23 result, on October 1, 2000, real property tax rates were reduced to 40% of the rate
 24 effective July 1, 2000. The county real property tax rate of \$_____ per \$100 of
 25 assessment on July 1, 2000 was reduced to \$_____ per \$100 of assessment on October
 26 1, 2000. The change in method of assessment had no effect on actual tax liability for
 27 the taxable year beginning July 1, 2000.

28 Notice of Constant Yield Tax Rate

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, 2001, the estimated real property
 32 assessable base will increase by%, from \$..... as of October 1, 2000 to \$..... as of
 33 July 1, 2001.

34 2. If (name of jurisdiction) maintains the current real property tax rate,
 35 effective October 1, 2000, of \$..... per \$100 of assessment, real property tax revenues
 36 will increase by% resulting in \$..... of new real property tax revenues.

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

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

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

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

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

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

13 "Important Notice to Taxpayers

14 In order to make real property tax bills simpler and easier to understand, the
 15 General Assembly, under Chapter _____ of the Acts of 2000, has required that
 16 property tax rates on real property be based on a full cash value assessment. As a
 17 result, on October 1, 2000, your real property tax rates were reduced to 40% of the
 18 rate effective July 1, 2000. Your county property tax rate of \$_____ per \$100 of
 19 assessment on July 1, 2000 was reduced to \$_____ per \$100 of assessment on October
 20 1, 2000. The change in method of assessment had no effect on your actual tax liability
 21 for the taxable year beginning July 1, 2000.

22 Constant Yield Tax Rate

23 1. In the last taxable year the county (or Baltimore City) real property tax
 24 rate as of October 1, 2000 was, and the certified assessment of the net assessable
 25 real property as of October 1, 2000 was \$..... . The assessment multiplied by the rate
 26 produced real property tax revenues of \$..... .

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

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

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

36 (1) Effective October 1, 2000, real property tax rates, for purposes of
 37 application against the full value assessment established by Section 1 of this Act,
 38 shall be 40% of the real property tax rates effective July 1, 2000;

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

3 (3) Any limit on a local tax rate in a local law or charter provision in
4 effect on September 30, 2000 that is expressed as a rate to be applied to an
5 assessment of real property, shall be construed to mean a rate equal to 40% times the
6 rate stated in the local law or charter provision; and any debt limit in a local law or
7 charter provision in effect on September 30, 2000 that is expressed as a percentage of
8 an assessment of real property or assessable base of real property, shall be construed
9 to mean a percentage equal to 40% times the percentage stated in the local law or
10 charter provision; and

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

15 SECTION 8. AND BE IT FURTHER ENACTED, That, for the taxable year
16 beginning July 1, 2001, notwithstanding § 8-134 of the State Finance and
17 Procurement Article, the Board of Public Works shall certify ~~a rate~~ rates of State tax
18 on assessable property that ~~reflects~~ reflect the changes in the method of assessing
19 real property under this Act.

20 SECTION 9. AND BE IT FURTHER ENACTED, That, if the governing body of
21 a municipal corporation has set a special tax rate for any class of personal property
22 under § 6-303(a) of the Tax - Property Article, the municipal tax rate effective
23 October 1, 2000, and applicable to that class of property for the taxable year
24 beginning July 1, 2000 shall be 2.5 times the rate for real property for that taxable
25 year multiplied by the ratio applicable to the taxable year beginning July 1, 2000 of
26 its special rate to its real property tax rate.

27 SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding
28 Section 1 and Section 5 of this Act, for the taxable year beginning July 1, 2000, the tax
29 rate and assessment used to compute property tax due under § 10-103, § 10-104, §
30 10-105, or § 10-204.3 of the Tax - Property Article shall be the tax rate and
31 assessment effective as of July 1, 2000.

32 SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding §
33 9-105(a)(5) and (e)(1) of the Tax - Property Article, for the taxable year beginning
34 July 1, 2001 only, the homestead property tax credit shall be computed by:

35 (1) Multiplying the taxable assessments for the taxable year beginning
36 July 1, 2000 for State, county, or municipal purposes, respectively, by 2.5;

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

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

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

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

4 SECTION 12. AND BE IT FURTHER ENACTED, That, on or before October 1,
5 2000, the Department of Assessments and Taxation shall adopt regulations applicable
6 to the taxable year beginning July 1, 2001 to adjust the valuation of use-valued
7 property in a manner that would be revenue neutral relative to this Act.
8 Notwithstanding § 8-104(b) of the Tax - Property Article, the Department shall
9 revalue all use-valued property for the date of finality January 1, 2001 pursuant to
10 the adjusted use valuation rates.

11 SECTION 13. AND BE IT FURTHER ENACTED, That Sections 1, 3, 6, 8, and
12 11 of this Act shall take effect October 1, 2000 and shall be applicable to all taxable
13 years beginning after June 30, 2001.

14 SECTION 14. AND BE IT FURTHER ENACTED, That Section 2 of this Act
15 shall take effect June 1, 2001 and shall be applicable to all taxable years beginning
16 after June 30, 2001.

17 SECTION 15. AND BE IT FURTHER ENACTED, That, except as provided in
18 Sections 13 and 14 of this Act, this Act shall take effect June 1, 2000.