

SENATE BILL 438

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Q2

2002 Regular Session  
2lr2426  
CF HB 337

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By: **Senators Ferguson and Mooney**  
Introduced and read first time: January 31, 2002  
Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County - Property Tax Credits - Agricultural Preservation Land**  
3 **and Farm Buildings**

4 FOR the purpose of authorizing the Frederick County Board of County  
5 Commissioners to grant a certain property tax credit for county property tax  
6 imposed on certain agricultural preservation land; authorizing the Board to  
7 grant a local property tax credit for farm buildings; requiring the Board to  
8 develop certain criteria relating to a certain credit; authorizing the Board to  
9 provide certain procedural or enforcement provisions to carry out this Act;  
10 providing for the valuation and assessment of certain agricultural preservation  
11 land; allowing a certain tax credit granted to continue under certain conditions;  
12 providing for the application of this Act; and generally relating to certain  
13 property tax credits for certain agricultural preservation land and farm  
14 buildings in Frederick County.

15 BY repealing and reenacting, with amendments,  
16 Article - Tax - Property  
17 Section 9-312  
18 Annotated Code of Maryland  
19 (2001 Replacement Volume and 2001 Supplement)

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

22 **Article - Tax - Property**

23 9-312.

24 (a) (1) The governing body of Frederick County and of a municipal  
25 corporation in Frederick County shall grant a property tax credit under this section  
26 against the county and municipal corporation property tax imposed on property that:

27 (i) is owned by the Frederick Optimist Boy's Foundation,  
28 Incorporated; and

1 (ii) is not under a lease or rented commercially.

2 (2) In paragraph (1) of this subsection, commercial renting does not  
3 include the operation of a parking lot.

4 (b) (1) The governing body of Frederick County shall grant a property tax  
5 credit under this section against the county tax imposed on:

6 (i) real property that is owned by the Emmitsburg Civic  
7 Association, Incorporated; and

8 (ii) real property on which an improvement is made to an existing  
9 structure that is located in a historic district.

10 (2) A property tax credit granted under paragraph (1)(ii) of this  
11 subsection shall be:

12 (i) the following percentage of the increase that is due to the  
13 improvement:

14 1. 100% of the increase in the assessment of the real property  
15 in the 1st and 2nd taxable years that the improved structure is subject to the county  
16 property tax;

17 2. 80% of the increase in the assessment of the real property  
18 in the 3rd taxable year that the improved structure is subject to the county property  
19 tax;

20 3. 60% of the increase in the assessment of the real property  
21 in the 4th taxable year that the improved structure is subject to the county property  
22 tax; and

23 4. 40% of the increase in the assessment of the real property  
24 in the 5th taxable year that the structure is subject to the county property tax; and

25 (ii) ended after the 5th taxable year that the improved structure is  
26 subject to county property tax.

27 (c) (1) The governing body of Frederick County may grant, by law, a  
28 property tax credit under this section against the county property tax imposed on:

29 (i) real property that is owned by Ruritan National;

30 (ii) real property that is owned by any Ruritan club that is  
31 affiliated with Ruritan National;

32 (iii) real property that is owned by a nonprofit community or civic  
33 association or corporation and is used only for:

34 1. a community, civic, educational, or recreational purpose;

35 or

1 2. the conservation or preservation of wildlife; or

2 (iv) real property owned by the Audubon Society of Central  
3 Maryland, Inc. and appurtenant to the premises of the Audubon Society of Central  
4 Maryland, Inc., if the property is used only for:

5 1. the maintenance of a natural area for public use;

6 2. a sanctuary for wildlife;

7 3. the environmental education of the public; or

8 4. the general management of wildlife.

9 (2) Unless the compensation is used only to improve or maintain the real  
10 property, the use of the real property under paragraph (1)(iii) of this subsection may  
11 not be contingent on the payment of compensation.

12 (3) Unless the compensation is used only to improve or maintain the real  
13 property, the real property under paragraph (1)(iii) of this subsection may not be  
14 granted a property tax credit if failure to pay compensation is a reason to deny  
15 admission to or use of the property.

16 (d) The governing body of Frederick County and of a municipal corporation in  
17 Frederick County may grant, by law, a property tax credit under this section against  
18 the county or municipal corporation property tax imposed on real property that is:

19 (1) leased to the Frederick County Board of County Commissioners or to  
20 the Frederick County Board of Education; and

21 (2) used exclusively for public school educational purposes.

22 (e) The governing body of Frederick County and of a municipal corporation in  
23 Frederick County may grant, by law, a property tax credit under this section against  
24 the county or municipal corporation property tax imposed on real property that is:

25 (1) leased to a nonprofit school; and

26 (2) used exclusively for primary or secondary educational purposes.

27 (f) A taxpayer may apply for a property tax credit under this section on or  
28 before October 1 of the taxable year.

29 (g) (1) IN THIS SUBSECTION, "AGRICULTURAL PRESERVATION LAND"  
30 MEANS:

31 (I) REAL PROPERTY SUBJECT TO AN EASEMENT OR OTHER  
32 INTEREST THAT IS PERMANENTLY CONVEYED OR ASSIGNED TO PRESERVE THE  
33 AGRICULTURAL USE OF THE REAL PROPERTY; OR

1 (II) REAL PROPERTY THAT THE GOVERNING BODY OF FREDERICK  
2 COUNTY HAS DESIGNATED AS BEING WITHIN AN AGRICULTURAL PRESERVATION  
3 DISTRICT.

4 (2) THE GOVERNING BODY OF FREDERICK COUNTY MAY GRANT, BY LAW,  
5 A PROPERTY TAX CREDIT OF UP TO 100% OF ANY COUNTY PROPERTY TAX IMPOSED  
6 ON AGRICULTURAL PRESERVATION LAND.

7 (3) THE GOVERNING BODY OF FREDERICK COUNTY MAY PROVIDE, BY  
8 LAW, ANY PROCEDURAL OR ENFORCEMENT PROVISIONS NECESSARY OR DESIRABLE  
9 TO CARRY OUT THIS SUBSECTION.

10 (4) VALUATION AND ASSESSMENT OF AGRICULTURAL PRESERVATION  
11 LAND SHALL BE MADE IN THE SAME MANNER AS ANY OTHER REAL PROPERTY IN THE  
12 COUNTY.

13 (H) (1) THE GOVERNING BODY OF FREDERICK COUNTY MAY GRANT, BY LAW,  
14 A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY PROPERTY  
15 TAX IMPOSED ON A BUILDING THAT IS:

16 (I) LOCATED ON LAND THAT QUALIFIES FOR AN AGRICULTURAL  
17 USE ASSESSMENT; AND

18 (II) USED IN CONNECTION WITH AN ACTIVITY THAT IS  
19 RECOGNIZED BY THE DEPARTMENT AS AN APPROVED AGRICULTURAL ACTIVITY.

20 (2) THE GOVERNING BODY OF FREDERICK COUNTY:

21 (I) SHALL DEVELOP CRITERIA NECESSARY TO IMPLEMENT THE  
22 CREDIT;

23 (II) SHALL DESIGNATE AN AGENCY TO ADMINISTER THE CREDIT;  
24 AND

25 (III) MAY SPECIFY:

26 1. THE AMOUNT AND DURATION OF THE CREDIT;

27 2. THE QUALIFICATIONS AND APPLICATION PROCEDURES  
28 FOR THE CREDIT; AND

29 3. ANY OTHER REQUIREMENT OR PROCEDURE FOR  
30 GRANTING OR ADMINISTRATION OF THE CREDIT THAT GOVERNING BODY DEEMS  
31 APPROPRIATE.

32 (I) (1) Except as provided under paragraph (2) of this subsection, a property  
33 tax credit granted under this section shall continue until the property is conveyed.

34 (2) A property tax credit granted under subsection (d) [or], (e), OR (G) of  
35 this section shall continue as long as the property is in compliance with the terms of  
36 that subsection.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 June 1, 2002 and shall be effective for all taxable years beginning after June 30, 2002.