

SENATE BILL 750

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Q1

2002 Regular Session
2lr2577

By: **Senators Stoltzfus and Kittleman**
Introduced and read first time: February 1, 2002
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 21, 2002

CHAPTER _____

1 AN ACT concerning

2 **Property Tax - ~~Assessment of~~ Tax Credits for Conservation Property**

3 FOR the purpose of ~~altering the valuation and assessment for property tax purposes~~
4 ~~of certain property subject to certain perpetual conservation easements under~~
5 ~~certain circumstances; providing for a new subclass of real property for~~
6 ~~assessment purposes; providing for the application of this Act; and generally~~
7 ~~relating to the valuation and assessment of certain property subject to perpetual~~
8 ~~conservation easements~~ providing for a certain tax credit by altering the date by
9 which certain donations of certain conservation land may have been made in
10 order to qualify for a county or municipal property tax credit; and generally
11 relating to tax credits for conservation property.

12 BY repealing and reenacting, with amendments,
13 Article - Tax - Property
14 Section ~~8-101(b)~~ and ~~9-107 9-220~~
15 Annotated Code of Maryland
16 (2001 Replacement Volume and 2001 Supplement)

17 ~~BY adding to~~
18 ~~Article - Tax - Property~~
19 ~~Section 8-209.1~~
20 ~~Annotated Code of Maryland~~
21 ~~(2001 Replacement Volume and 2001 Supplement)~~

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

1 **Article - Tax - Property**

2 ~~8-101.~~

3 (b) Real property is a class of property and is divided into the following
4 subclasses:

5 (1) ~~land that is actively devoted to farm or agricultural use, assessed~~
6 ~~under § 8-209 of this title;~~

7 (2) ~~marshland, assessed under § 8-210 of this title;~~

8 (3) ~~woodland, assessed under § 8-211 of this title;~~

9 (4) ~~land of a country club, assessed under §§ 8-212 through 8-217 of this~~
10 ~~title;~~

11 (5) ~~land that is used for a planned development, assessed under §§ 8-220~~
12 ~~through 8-225 of this title;~~

13 (6) ~~rezoned real property that is used for residential purposes, assessed~~
14 ~~under §§ 8-226 through 8-228 of this title;~~

15 (7) ~~operating real property of a railroad;~~

16 (8) ~~operating real property of a public utility;~~

17 (9) ~~CONSERVATION PROPERTY, ASSESSED UNDER § 8-209.1 OF THIS~~
18 ~~TITLE; and~~

19 ~~{(9)}~~ (10) ~~all other real property that is directed by this article to be~~
20 ~~assessed.~~

21 ~~8-209.1.~~

22 (A) ~~IN THIS SECTION:~~

23 (1) ~~SUBJECT TO ITEM (2) OF THIS SUBSECTION, "CONSERVATION~~
24 ~~PROPERTY" HAS THE MEANING STATED IN § 9-107 OF THIS ARTICLE; AND~~

25 (2) ~~"CONSERVATION PROPERTY" INCLUDES:~~

26 (I) ~~LAND THAT IS SUBJECT TO A PERPETUAL CONSERVATION~~
27 ~~EASEMENT THAT WAS ACCEPTED AND APPROVED BY THE BOARD OF PUBLIC WORKS~~
28 ~~ON OR BEFORE JUNE 30, 1986; AND~~

29 (II) ~~LAND AS TO WHICH THE PROPERTY TAX CREDIT UNDER § 9-107~~
30 ~~OF THIS ARTICLE IS GRANTED, EVEN AFTER THE EXPIRATION OF THE TAX CREDIT.~~

1 ~~(B) CONSERVATION PROPERTY SHALL BE VALUED AT A RATE EQUIVALENT TO~~
 2 ~~THE LOWEST RATE THAT IS USED TO VALUE LAND THAT IS ELIGIBLE FOR~~
 3 ~~AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THIS SUBTITLE.~~

4 ~~(C) NOTWITHSTANDING § 8-209(C) OF THIS SUBTITLE, CONSERVATION~~
 5 ~~PROPERTY IS NOT REQUIRED TO BE ACTIVELY USED FOR FARM OR AGRICULTURAL~~
 6 ~~PURPOSES TO BE ELIGIBLE FOR VALUATION AS PROVIDED IN THIS SECTION.~~

7 ~~9-107.~~

8 (a) In this section, "conservation property" means land that is:

9 (1) unimproved;

10 (2) not used for commercial purposes; and

11 (3) subject to a perpetual conservation easement that is:

12 (i) donated to the Maryland Environmental Trust and identifies
 13 the Trust as a grantee under Title 3, Subtitle 2 of the Natural Resources Article; and

14 (ii) accepted and approved by the Board of Public Works after June
 15 30, 1986.

16 (b) There shall be a property tax credit granted under this section against the
 17 property tax imposed on conservation property.

18 (c) On or before October 1 of the taxable year for which property tax relief
 19 under this section is sought, an owner of conservation property may apply to the
 20 Department for the property tax credit. The application shall be made on the form
 21 that the Department provides.

22 (d) The property tax credit provided under this section shall be granted
 23 against 100% of all property tax that otherwise would be due.

24 (e) ~~[Valuation and assessment of conservation property shall be made in the~~
 25 ~~same manner as any other real property in the county] CONSERVATION PROPERTY~~
 26 ~~SHALL BE VALUED AND ASSESSED AS PROVIDED IN § 8-209.1 OF THIS ARTICLE.~~

27 (f) A property tax credit granted under this section is effective for 15
 28 consecutive tax years beginning July 1 following the donation of the easement.

29 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take~~
 30 ~~effect June 1, 2002 and shall be applicable to all taxable years beginning after June~~
 31 ~~30, 2002.~~
 32 ~~9-220.~~

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

34 (2) "Conservation land" means real property that is:

1 (i) subject to a perpetual conservation easement donated to a land
 2 trust or the Maryland Environmental Trust on or after [July 1, 1991] JUNE 30, 1986;

3 (ii) 1. acquired by a land trust on or after July 1, 1991;

4 2. owned in fee by that land trust; and

5 3. subject to a letter of intent, agreement, or option
 6 agreement for the resale of the property to a government agency;

7 (iii) owned by the Potomac Conservancy; or

8 (iv) owned by the Western Shore Conservancy.

9 (3) "Land trust" means a qualified conservation organization as defined
 10 in § 3-2A-01 of the National Resources Article.

11 (b) The Mayor and City Council of Baltimore City or the governing body of a
 12 county or municipal corporation may grant, by law, a property tax credit against the
 13 county or municipal corporation property tax imposed on conservation land or
 14 property owned by a land trust that qualifies under subsection (d) of this section, that
 15 is used:

16 (1) to assist in the preservation of a natural area;

17 (2) for the environmental education of the public;

18 (3) generally to promote conservation; or

19 (4) for the maintenance of:

20 (i) a natural area for public use; or

21 (ii) a sanctuary for wildlife.

22 (c) The Mayor and City Council of Baltimore City or the governing body of a
 23 county or municipal corporation may provide, by law, for:

24 (1) the amount and duration of the property tax credit under this section;
 25 and

26 (2) any other provision necessary to carry out the property tax credit
 27 under this section.

28 (d) To qualify for a property tax credit under this section, a land trust shall:

29 (1) be certified by the Maryland Environmental Trust to be a land trust
 30 in good standing and to have a cooperative agreement in effect; and

31 (2) obtain a written certification every 5 years beginning July 1, 1998, or
 32 as scheduled by the Maryland Environmental Trust.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2002 and shall be applicable to all taxable years beginning after June 30,
3 2002.