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By: **Chairman, Budget and Taxation Committee (By Request -**
       Departmental - Assessments and Taxation)
Introduced and read first time: January 23, 2003
Rules suspended
Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2   **Property Tax - Constant Yield Tax Rate - Amendment**

3 FOR the purpose of altering a certain deadline for the Department of Assessments
4   and Taxation to amend a constant yield tax rate; authorizing the Department to
5   amend a constant yield tax rate under certain circumstances; and generally
6   relating to the authority of the Department of Assessments and Taxation to
7   amend a constant yield tax rate.

8 BY repealing and reenacting, with amendments,
9   Article - Tax - Property
10   Section 2-205
11   Annotated Code of Maryland
12   (2001 Replacement Volume and 2002 Supplement)

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

15   **Article - Tax - Property**

16 2-205.

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

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

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

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

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

23   (i)   an estimate of the total assessment of all real property in the
24 county or municipal corporation for the next taxable year; and

1   (ii)   an estimate of the total assessment:

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

4   2.   of all real property in the county or municipal corporation
5 that may be deleted from the assessment records.

6   (2)   The Department shall notify each taxing authority of any change in
7 the estimated assessment of all real property in the county or the municipal
8 corporation that results from actions of a property tax assessment appeal board or the
9 Maryland Tax Court.

10   (c)   (1)   The Department shall notify each taxing authority of the constant
11 yield tax rate that will provide the same property tax revenue that is provided by the
12 real property tax rate that is in effect for the current taxable year.

13   (2)   In calculating a constant yield tax rate for a taxable year, the
14 Department shall use an estimate of the total assessment of all real property for the
15 next taxable year exclusive of real property that appears for the 1st time on the
16 assessment records.

17   (3)   On or before May [1] 15 of each year, the Department may amend a
18 constant yield tax rate but only:

19   (i)   when directed to make a change by an enactment of the General
20 Assembly; [or]

21   (ii)   to correct an error in the calculation of the constant yield tax
22 rate; OR

23   (III)   TO REFLECT A SIGNIFICANT LOSS OF TAXABLE BASE, AS
24 DETERMINED BY THE DIRECTOR.

25   (d)   The Director shall exempt a municipal corporation from the constant yield
26 tax rate provisions of § 6-308 of this article if a difference of less than $10,000 exists
27 between:

28   (1)   the property tax revenue that is provided by applying the municipal
29 corporation real property tax rate for the preceding taxable year to the estimated
30 assessment of all real property in the municipal corporation; and

31   (2)   the property tax revenue that is provided by applying the constant
32 yield tax rate for the next taxable year to the estimated assessment of all real
33 property in the municipal corporation.

34   (e)   (1)   The Director shall report to the Attorney General any taxing
35 authority that appears to have violated the requirements of § 6-308 of this article.

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

6   (3)   If a court finds that a taxing authority violated § 6-308 of this article,
7 the real property tax rate of that taxing authority shall be the constant yield tax rate.

8   (f)   A taxing authority that does not exceed the constant yield tax rate shall
9 notify the Department within the time set by the Director.

10   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
11 effect October 1, 2003.