

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 368

(Delegate Hixson)

(By Request – Department of Legislative Services)

Ways and Means

Budget and Taxation

Property Tax - Full Value Assessments – Corrective

This bill corrects the Public Local Laws of various counties to comply with real property full value assessment.

The bill states that it is intended to make technical corrections enacted by Chapter 80 of 2000 and be revenue neutral. The bill takes effect June 1, 2003 and is applicable to tax years after June 30, 2003.

Fiscal Summary

State Effect: None. The bill corrects local laws only.

Local Effect: None. The bill corrects and clarifies current law.

Small Business Effect: None.

Analysis

Current Law: Pursuant to Chapter 80 of 2000, effective July 1, 2000, State property taxes are assessed at full value rather than the 40% for most real property. On October 1, 2000, real property tax rates were reduced to 40% of the rates effective on July 1, 2000. Property tax rates did not change for personal property and operating real property of public utilities as these properties were assessed at full value prior to enactment of Chapter 80 of 2000.

Background: Chapter 80 of 2000 adopted a system of full value property tax assessment to replace the system of fractional assessment. Section 4 of the Act required the Department of Assessments and Taxation to identify any provisions of the Annotated Code or the Code of Public Local Laws that were rendered inaccurate or obsolete as a result of the Act and report its findings to the General Assembly by December 1, 2000. That report, dated November 28, 2000, outlined provisions that need to be corrected in State law only. These provisions were corrected by Chapter 114 of 2001. During the 2002 interim, the Department of Legislative Services surveyed local governments to determine if there were any needed changes to the public local laws. This bill is a result of that survey.

Additional Information

Prior Introductions: None.

Cross File: SB 423 (Senator Currie) – Budget and Taxation.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2003
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