
By: **Senator Brinkley**

Introduced and read first time: March 2, 2005

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Agricultural Limited Liability Entities - Homestead Tax Credit**

3 FOR the purpose of altering certain definitions to include partners in certain limited
4 liability partnerships within the definition of "homeowner" for certain property
5 tax purposes under certain circumstances; providing for the application of this
6 Act; and generally relating to including partners in certain limited liability
7 partnerships within the definition of "homeowner" for certain property tax
8 purposes under certain circumstances.

9 BY repealing and reenacting, without amendments,
10 Article - Tax - Property
11 Section 9-105(a)(1)
12 Annotated Code of Maryland
13 (2001 Replacement Volume and 2004 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article - Tax - Property
16 Section 9-105(a)(3), (6), and (7) and (c)(4)
17 Annotated Code of Maryland
18 (2001 Replacement Volume and 2004 Supplement)

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

21 **Article - Tax - Property**

22 9-105.

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

24 (3) "Homeowner" means an individual who has a legal interest in a
25 dwelling or who is an active member of an agricultural limited liability [company]
26 ENTITY that has a legal interest in a dwelling.

1 (6) "Agricultural limited liability [company] ENTITY" means a limited
2 liability company OR LIMITED LIABILITY PARTNERSHIP that:

3 (i) owns real property that:

4 1. includes land receiving an agricultural use assessment
5 under § 8-209 of this article; and

6 2. includes land used as a homesite that is part of or
7 contiguous to a parcel described in item 1 of this item;

8 (ii) owns personal property used to operate the agricultural land;
9 and

10 (iii) owns no other property.

11 (7) "Active member" means a member of a limited liability company OR
12 PARTNER IN A LIMITED LIABILITY PARTNERSHIP who has or shares the authority to
13 manage, control, and operate the limited liability company OR LIMITED LIABILITY
14 PARTNERSHIP and who shares the assets and earnings of the limited liability
15 company OR LIMITED LIABILITY PARTNERSHIP under an operating agreement under
16 § 4A-402 of the Corporations and Associations Article OR UNDER A PARTNERSHIP
17 AGREEMENT.

18 (c) (4) (i) For a homeowner who is an active member of an agricultural
19 limited liability [company] ENTITY to qualify for the property tax credit under this
20 section:

21 1. the dwelling must have been owned and occupied by the
22 active member:

23 A. at the time of its transfer to the agricultural limited
24 liability [company] ENTITY; or

25 B. if THE AGRICULTURAL LIMITED LIABILITY ENTITY IS A
26 LIMITED LIABILITY COMPANY AND the dwelling was originally transferred to the
27 agricultural limited liability [company] ENTITY as part of a conversion from a
28 partnership under § 4A-211 of the Corporations and Associations Article, then at the
29 time of its transfer to the former partnership; and

30 2. the agricultural limited liability [company] ENTITY and
31 the active member who occupies the dwelling must file an application with the
32 Department establishing initial eligibility for the credit on or before June 30 for the
33 following taxable year and, at the request of the Department, must file an application
34 in any future year to verify continued eligibility.

35 (ii) Failure to file a timely application may result in
36 disqualification from the Homestead Tax Credit Program for the following taxable
37 year.

1 (iii) The credit may only be granted to one dwelling owned by the
2 agricultural limited liability [company] ENTITY.

3 (iv) Participation in the credit program as the active member of an
4 agricultural limited liability [company] ENTITY disqualifies any other dwellings
5 owned by the active member for the credit.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 June 1, 2005, and shall be applicable to all taxable years beginning after June 30,
8 2005.