

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 129

(Chairman, Ways and Means Committee)

(By Request – Departmental – Assessments and Taxation)

Ways and Means

Budget and Taxation

Property Tax - Assessment of Marshland

This departmental bill requires that marshland be valued at a rate established in regulation by the State Department of Assessments and Taxation (SDAT) and that the rate be less than the lowest agricultural land rate.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: None. The change is procedural/technical in nature and would not directly affect governmental finances.

Local Effect: None.

Small Business Effect: SDAT has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: The property assessment for marshland is equivalent to 50% of the highest rate used to value Class E agricultural land.

Background: SDAT used to assess agricultural land by classification. The agricultural land classes have been eliminated and agricultural land is assessed with the same rate per acre for all land in production for the entire parcel. Marshland is supposed to be valued

at 50% of the highest rate used for Class E agricultural land. SDAT no longer has a rate for Class E agricultural land and instead has a regulation in COMAR setting the rate for marshland currently to \$37.50 per acre. The bill does not change the rate at which marshland is assessed.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Department of Assessments and Taxation, Department of Legislative Services

Fiscal Note History: First Reader - January 21, 2005
n/hlb

Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510