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By: **Frederick County Delegation**

Introduced and read first time: February 1, 2006

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County - Property Tax Credit - Individuals of Age 70 or Older**

3 FOR the purpose of authorizing the governing body of Frederick County to provide, by  
4 law, for a property tax credit against the county property tax imposed on certain  
5 dwellings owned by homeowners who are at least a certain age and are of  
6 limited income under certain circumstances; requiring the governing body of  
7 Frederick County under certain circumstances to specify certain restrictions and  
8 eligibility requirements for the property tax credit; defining a certain term;  
9 providing for the application of this Act; and generally relating to authorization  
10 for certain property tax credits in Frederick County.

11 BY repealing and reenacting, with amendments,  
12 Article - Tax - Property  
13 Section 9-312  
14 Annotated Code of Maryland  
15 (2001 Replacement Volume and 2005 Supplement)

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

18 **Article - Tax - Property**

19 9-312.

20 (a) (1) The governing body of Frederick County and of a municipal  
21 corporation in Frederick County shall grant a property tax credit under this section  
22 against the county and municipal corporation property tax imposed on property that:

23 (i) is owned by the Frederick Optimist Boy's Foundation,  
24 Incorporated; and

25 (ii) is not under a lease or rented commercially.

26 (2) In paragraph (1) of this subsection, commercial renting does not  
27 include the operation of a parking lot.

1 (b) (1) The governing body of Frederick County shall grant a property tax  
2 credit under this section against the county tax imposed on:

3 (i) real property that is owned by the Emmitsburg Civic  
4 Association, Incorporated; and

5 (ii) real property on which an improvement is made to an existing  
6 structure that is located in a historic district.

7 (2) A property tax credit granted under paragraph (1)(ii) of this  
8 subsection shall be:

9 (i) the following percentage of the increase that is due to the  
10 improvement:

11 1. 100% of the increase in the assessment of the real property  
12 in the 1st and 2nd taxable years that the improved structure is subject to the county  
13 property tax;

14 2. 80% of the increase in the assessment of the real property  
15 in the 3rd taxable year that the improved structure is subject to the county property  
16 tax;

17 3. 60% of the increase in the assessment of the real property  
18 in the 4th taxable year that the improved structure is subject to the county property  
19 tax; and

20 4. 40% of the increase in the assessment of the real property  
21 in the 5th taxable year that the structure is subject to the county property tax; and

22 (ii) ended after the 5th taxable year that the improved structure is  
23 subject to county property tax.

24 (c) (1) The governing body of Frederick County may grant, by law, a  
25 property tax credit under this section against the county property tax imposed on:

26 (i) real property that is owned by Ruritan National;

27 (ii) real property that is owned by any Ruritan club that is  
28 affiliated with Ruritan National;

29 (iii) real property that is owned by a nonprofit community or civic  
30 association or corporation and is used only for:

31 1. a community, civic, educational, or recreational purpose;  
32 or

33 2. the conservation or preservation of wildlife; or

1 (iv) real property owned by the Audubon Society of Central  
2 Maryland, Inc. and appurtenant to the premises of the Audubon Society of Central  
3 Maryland, Inc., if the property is used only for:

- 4 1. the maintenance of a natural area for public use;
- 5 2. a sanctuary for wildlife;
- 6 3. the environmental education of the public; or
- 7 4. the general management of wildlife.

8 (2) Unless the compensation is used only to improve or maintain the real  
9 property, the use of the real property under paragraph (1)(iii) of this subsection may  
10 not be contingent on the payment of compensation.

11 (3) Unless the compensation is used only to improve or maintain the real  
12 property, the real property under paragraph (1)(iii) of this subsection may not be  
13 granted a property tax credit if failure to pay compensation is a reason to deny  
14 admission to or use of the property.

15 (d) The governing body of Frederick County and of a municipal corporation in  
16 Frederick County may grant, by law, a property tax credit under this section against  
17 the county or municipal corporation property tax imposed on real property that is:

18 (1) leased to the Frederick County Board of County Commissioners or to  
19 the Frederick County Board of Education; and

20 (2) used exclusively for public school educational purposes.

21 (e) The governing body of Frederick County and of a municipal corporation in  
22 Frederick County may grant, by law, a property tax credit under this section against  
23 the county or municipal corporation property tax imposed on real property that is:

24 (1) leased to a nonprofit school; and

25 (2) used exclusively for primary or secondary educational purposes.

26 (f) A taxpayer may apply for a property tax credit under this section on or  
27 before October 1 of the taxable year.

28 (g) (1) In this subsection, "agricultural preservation land" means:

29 (i) real property subject to an easement or other interest that is  
30 permanently conveyed or assigned to preserve the agricultural use of the real  
31 property; or

32 (ii) real property that the governing body of Frederick County has  
33 designated as being within an agricultural preservation district.

1           (2)     The governing body of Frederick County may grant, by law, a  
2 property tax credit of up to 100% of any county property tax imposed on agricultural  
3 preservation land.

4           (3)     The governing body of Frederick County may provide, by law, for any  
5 procedural or enforcement provisions necessary to carry out this subsection.

6           (4)     Valuation and assessment of agricultural preservation land shall be  
7 made in the same manner as any other real property in the county.

8       (h)     (1)     The governing body of Frederick County may grant, by law, a  
9 property tax credit under this section against the county property tax imposed on a  
10 building that is:

11                   (i)     located on land that qualifies for an agricultural use  
12 assessment; and

13                   (ii)    used in connection with an activity that is recognized by the  
14 Department as an approved agricultural activity.

15           (2)     The governing body of Frederick County:

16                   (i)     shall develop criteria necessary to implement the credit;

17                   (ii)    shall designate an agency to administer the credit; and

18                   (iii)   may specify:

19                           1.     the amount and duration of the credit;

20                           2.     the qualifications and application procedures for the  
21 credit; and

22                           3.     any other requirement or procedure for granting or  
23 administration of the credit.

24       (I)     (1)     IN THIS SUBSECTION, "DWELLING" HAS THE MEANING STATED IN §  
25 9-104 OF THIS TITLE.

26           (2)     THE GOVERNING BODY OF FREDERICK COUNTY MAY GRANT, BY LAW,  
27 A PROPERTY TAX CREDIT AGAINST THE COUNTY PROPERTY TAX IMPOSED ON THE  
28 DWELLING OF A HOMEOWNER WHO IS AT LEAST 70 YEARS OLD AND WHO IS OF  
29 LIMITED INCOME.

30           (3)     A HOMEOWNER MAY BE ELIGIBLE FOR THE PROPERTY TAX CREDIT  
31 UNDER PARAGRAPH (1) OF THIS SUBSECTION IF THE HOMEOWNER:

32                   (I)     HAS RESIDED IN AND OWNED A PRINCIPAL RESIDENCE IN  
33 FREDERICK COUNTY FOR A PERIOD OF AT LEAST 5 CONSECUTIVE YEARS  
34 IMMEDIATELY PRECEDING THE TAXABLE YEAR FOR WHICH AN APPLICATION IS  
35 MADE FOR THE PROPERTY TAX CREDIT UNDER THIS SUBSECTION; AND

1 (II) IS AT LEAST 70 YEARS OLD OR SUCH HIGHER AGE AS  
2 DETERMINED BY THE GOVERNING BODY OF FREDERICK COUNTY UNDER  
3 PARAGRAPH (4) OF THIS SUBSECTION.

4 (4) IF THE GOVERNING BODY OF FREDERICK COUNTY AUTHORIZES A  
5 PROPERTY TAX CREDIT UNDER THIS SUBSECTION, THE GOVERNING BODY SHALL  
6 SPECIFY:

7 (I) THE AMOUNT AND DURATION OF THE PROPERTY TAX CREDIT;

8 (II) ADDITIONAL ELIGIBILITY CRITERIA FOR THE PROPERTY TAX  
9 CREDIT;

10 (III) THE MAXIMUM COMBINED ANNUAL INCOME OF ALL  
11 INDIVIDUALS RESIDING IN THE DWELLING;

12 (IV) THE COMBINED TOTAL VALUE OF ALL ASSETS OF INDIVIDUALS  
13 RESIDING IN THE DWELLING, OTHER THAN THE DWELLING ITSELF;

14 (V) REGULATIONS AND PROCEDURES FOR THE PROPERTY TAX  
15 CREDIT; AND

16 (VI) ANY OTHER PROVISIONS NECESSARY TO CARRY OUT THE  
17 PROPERTY TAX CREDIT UNDER THIS SUBSECTION.

18 [(i)] (J) (1) Except as provided under paragraph (2) of this subsection, a  
19 property tax credit granted under this section shall continue until the property is  
20 conveyed.

21 (2) A property tax credit granted under subsection (d), (e), [or ](g), OR (I)  
22 of this section shall continue as long as the property is in compliance with the terms  
23 of that subsection.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 June 1, 2006, and shall be applicable to all taxable years beginning after June 30,  
26 2006.