
By: **Delegate Glassman**

Introduced and read first time: February 8, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Assessment of Agricultural Land - Subdivision**

3 FOR the purpose of altering certain property tax valuation procedures for subdivided
4 land that remains actively devoted to farm or agricultural use; excluding certain
5 subdivided land from a certain gross income requirement for purposes of
6 determining if certain property is actively used for farm or agricultural use; and
7 generally relating to the assessment of farm or agricultural use land for
8 property tax purposes.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - Property
11 Section 8-104(c) and 8-209(g)
12 Annotated Code of Maryland
13 (2001 Replacement Volume and 2005 Supplement)

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

16 **Article - Tax - Property**

17 8-104.

18 (c) (1) In any year of a 3-year cycle, real property shall be revalued if any of
19 the factors listed below causes a change in the value of the real property:

20 (i) the zoning classification is changed at the initiative of the
21 owner or anyone having an interest in the property;

22 (ii) a change in use or character occurs;

23 (iii) substantially completed improvements are made which add at
24 least \$50,000 in value to the property;

25 (iv) an error in calculation or measurement of the real property
26 caused the value to be erroneous;

1 (v) a residential use assessment is terminated pursuant to § 8-226
2 of this title; or

3 (vi) a subdivision occurs. [For purposes of this subsection,
4 "subdivision" means the division of real property into 2 or more parcels by subdivision
5 plat, condominium plat, time-share, metes and bounds, or other means.]

6 (2) When real property is revalued under this subsection, the
7 Department or supervisor shall:

8 (i) determine the value that would have resulted if the revaluation
9 had occurred for the 1st year of the 3-year cycle;

10 (ii) determine the value that would have resulted if the revaluation
11 had occurred for the 1st year of the preceding 3-year cycle; and

12 (iii) adjust the phased-in value for each of the years remaining in
13 the 3-year cycle to reflect the change that results from the revaluation.

14 (3) The Department or supervisor shall revalue real property under
15 subparagraphs (i), (ii), (iv), (v), and (vi) of paragraph (1) of this subsection on the
16 semiannual date of finality. The revaluation shall be effective for the taxable year
17 beginning on the semiannual date of finality, if the notice under this title is sent no
18 later than 30 days after the semiannual date of finality.

19 (4) The Department or supervisor shall revalue real property under
20 subparagraph (iii) of paragraph (1) of this subsection on the date of finality,
21 semiannual date of finality, or quarterly date of finality following the substantial
22 completion of the improvements to land.

23 (5) FOR PURPOSES OF THIS SUBSECTION:

24 (I) "SUBDIVISION" MEANS THE DIVISION OF REAL PROPERTY INTO
25 2 OR MORE PARCELS BY SUBDIVISION PLAT, CONDOMINIUM PLAT, TIME-SHARE,
26 METES AND BOUNDS, OR OTHER MEANS; AND

27 (II) "SUBDIVISION" DOES NOT INCLUDE THE DIVISION OF LAND
28 THAT IS ACTIVELY DEVOTED TO FARM OR AGRICULTURAL USE, IF THE SUBDIVIDED
29 LAND REMAINS ACTIVELY DEVOTED TO FARM OR AGRICULTURAL USE.

30 8-209.

31 (g) (1) In this subsection, the following words have the meanings indicated:

32 (i) "actively used" means land that is actually and primarily used
33 for a continuing farm or agricultural use;

34 (ii) "agricultural land unit" means the combination of not more
35 than 3 parcels of land when the parcels are:

36 1. located in the same county; and

1 (iv) for a newly established farm or agricultural use, the nature of
 2 the use and the amount of the land in farm or agricultural use reasonably would be
 3 expected to yield an average gross income of at least \$2,500 if the use had existed for
 4 a 3-year period.

5 (6) The Director may grant only the following additional waivers:

6 (i) under paragraph (5)(iii) of this subsection, for 1 additional
 7 consecutive 3-year period; and

8 (ii) under paragraph (5)(iv) of this subsection, for 1 additional
 9 consecutive 3-year period.

10 (7) The gross income requirement of paragraph (2) of this subsection
 11 does not apply:

12 (i) if the owner is at least 70 years of age and applies for waiver of
 13 the gross income requirement as to land that was assessed on July 1, 1984, on the
 14 basis of farm or agricultural use under the law or regulations of the Department that
 15 were in effect on or before that date;

16 (ii) if the owner becomes disabled and is unable to continue the
 17 farm or agricultural use of the land and applies for waiver of the gross income
 18 requirement as to land that is assessed on the basis of farm or agricultural use; [or]

19 (iii) if the land is actively used as a family farm unit; OR

20 (IV) IF THE LAND IS SUBDIVIDED, AS LONG AS THE SUBDIVIDED
 21 LAND:

22 1. REMAINS ACTIVELY DEVOTED TO FARM OR
 23 AGRICULTURAL USE; AND

24 2. HAS NOT BEEN CONVEYED TO A NEW OWNER.

25 (8) For purposes of qualifying for the agricultural use assessment under
 26 this section, the following real property is deemed to be a single contiguous parcel:

27 (i) parcels that are created or separated by roads, easements, or
 28 other rights-of-way; and

29 (ii) land relating to a right-of-way that reverts back to its owner's
 30 use for purposes of farming.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 32 October 1, 2006.