

---

By: **Senators Dyson, Currie, Hogan, Lawlah, and Munson**

Introduced and read first time: January 30, 2006

Assigned to: Budget and Taxation

---

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Assessment of Conservation Property**

3 FOR the purpose of altering the valuation and assessment for property tax purposes  
4 of certain property subject to certain perpetual conservation easements under  
5 certain circumstances; providing for a new subclass of real property for  
6 assessment purposes; providing for the application of this Act; and generally  
7 relating to the valuation and assessment of certain property subject to perpetual  
8 conservation easements.

9 BY repealing and reenacting, with amendments,  
10 Article - Tax - Property  
11 Section 8-101(b) and 9-107  
12 Annotated Code of Maryland  
13 (2001 Replacement Volume and 2005 Supplement)

14 BY adding to  
15 Article - Tax - Property  
16 Section 8-209.1  
17 Annotated Code of Maryland  
18 (2001 Replacement Volume and 2005 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 8-101.

23 (b) Real property is a class of property and is divided into the following  
24 subclasses:

25 (1) land that is actively devoted to farm or agricultural use, assessed  
26 under § 8-209 of this title;

27 (2) marshland, assessed under § 8-210 of this title;

- 1 (3) woodland, assessed under § 8-211 of this title;
- 2 (4) land of a country club or golf course, assessed under §§ 8-212 through  
3 8-217 of this title;
- 4 (5) land that is used for a planned development, assessed under §§ 8-220  
5 through 8-225 of this title;
- 6 (6) rezoned real property that is used for residential purposes, assessed  
7 under §§ 8-226 through 8-228 of this title;
- 8 (7) operating real property of a railroad;
- 9 (8) operating real property of a public utility;
- 10 (9) property valued under § 8-105(a)(3) of this subtitle; [and]
- 11 (10) CONSERVATION PROPERTY, ASSESSED UNDER § 8-209.1 OF THIS  
12 TITLE; AND
- 13 (11) all other real property that is directed by this article to be assessed.

14 8-209.1.

15 (A) IN THIS SECTION:

16 (1) SUBJECT TO ITEM (2) OF THIS SUBSECTION, "CONSERVATION  
17 PROPERTY" HAS THE MEANING STATED IN § 9-107 OF THIS ARTICLE; AND

18 (2) "CONSERVATION PROPERTY" INCLUDES:

19 (I) LAND THAT IS SUBJECT TO A PERPETUAL CONSERVATION  
20 EASEMENT THAT WAS ACCEPTED AND APPROVED BY THE BOARD OF PUBLIC WORKS  
21 ON OR BEFORE JUNE 30, 1986; AND

22 (II) LAND AS TO WHICH THE PROPERTY TAX CREDIT UNDER § 9-107  
23 OF THIS ARTICLE IS GRANTED, EVEN AFTER THE EXPIRATION OF THE TAX CREDIT.

24 (B) CONSERVATION PROPERTY SHALL BE VALUED AT A RATE EQUIVALENT TO  
25 THE HIGHEST RATE THAT IS USED TO VALUE LAND THAT IS ELIGIBLE FOR  
26 AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THIS SUBTITLE.

27 (C) NOTWITHSTANDING § 8-209(C) OF THIS SUBTITLE, CONSERVATION  
28 PROPERTY IS NOT REQUIRED TO BE ACTIVELY USED FOR FARM OR AGRICULTURAL  
29 PURPOSES TO BE ELIGIBLE FOR VALUATION AS PROVIDED IN THIS SECTION.

30 9-107.

31 (a) In this section, "conservation property" means land that is:

32 (1) unimproved;

1 (2) not used for commercial purposes; and

2 (3) subject to a perpetual conservation easement that is:

3 (i) donated to the Department of Natural Resources or the  
4 Maryland Environmental Trust and identifies the Department of Natural Resources  
5 or the Maryland Environmental Trust as a grantee under Title 3, Subtitle 2 of the  
6 Natural Resources Article; and

7 (ii) accepted and approved by the Board of Public Works after June  
8 30, 1986.

9 (b) There shall be a property tax credit granted under this section against the  
10 property tax imposed on conservation property.

11 (c) On or before October 1 of the taxable year for which property tax relief  
12 under this section is sought, an owner of conservation property may apply to the  
13 Department for the property tax credit. The application shall be made on the form  
14 that the Department provides.

15 (d) The property tax credit provided under this section shall be granted  
16 against 100% of all property tax that otherwise would be due.

17 (e) [Valuation and assessment of conservation property shall be made in the  
18 same manner as any other real property in the county.] CONSERVATION PROPERTY  
19 SHALL BE VALUED AND ASSESSED AS PROVIDED IN § 8-209.1 OF THIS ARTICLE.

20 (f) A property tax credit granted under this section is effective for 15  
21 consecutive tax years beginning July 1 following the donation of the easement.

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