

HOUSE BILL 591

Q2

8lr1656
CF 8lr1655

By: **Delegate Elmore**

Introduced and read first time: January 31, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Somerset County – Property Tax Credit for Assessment Increases**

3 FOR the purpose of requiring the governing body of Somerset County to grant a credit
4 against the county property tax imposed on certain real property under certain
5 circumstances; providing that the credit does not apply under certain
6 circumstances; providing for the calculation of the credit based on certain
7 assessment increases over a certain amount; requiring the State Department of
8 Assessments and Taxation to provide certain notice of a possible tax credit and
9 calculate the taxable assessment on which the credit is authorized; requiring
10 that the tax credit be included on a property owner's property tax bill; requiring
11 the Department to adopt certain regulations; defining certain terms; providing
12 for the application and termination of this Act; and generally relating to a
13 property tax credit in Somerset County for certain assessment increases for
14 certain qualifying real property.

15 BY repealing and reenacting, with amendments,
16 Article – Tax – Property
17 Section 9–321
18 Annotated Code of Maryland
19 (2007 Replacement Volume)

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

22 **Article – Tax – Property**

23 9–321.

24 (A) The governing body of Somerset County may grant, by law, a property
25 tax credit under this section against county property tax imposed on real property
26 owned by the Crisfield Heritage Foundation, Inc.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE**
2 **THE MEANINGS INDICATED.**

3 **(II) "LEGAL INTEREST" MEANS AN INTEREST IN**
4 **QUALIFYING REAL PROPERTY:**

5 **1. AS A SOLE OWNER;**

6 **2. AS A JOINT TENANT;**

7 **3. AS A TENANT IN COMMON;**

8 **4. AS A TENANT BY THE ENTIRETIES;**

9 **5. THROUGH MEMBERSHIP IN A COOPERATIVE;**

10 **6. UNDER A LAND INSTALLMENT CONTRACT, AS**
11 **DEFINED IN § 10-101 OF THE REAL PROPERTY ARTICLE; OR**

12 **7. AS A HOLDER OF A LIFE ESTATE.**

13 **(III) "PROPERTY OWNER" MEANS A PERSON WHO HAS A**
14 **LEGAL INTEREST IN QUALIFYING REAL PROPERTY.**

15 **(IV) "QUALIFYING REAL PROPERTY" MEANS REAL**
16 **PROPERTY OTHER THAN A DWELLING ELIGIBLE FOR THE HOMESTEAD**
17 **PROPERTY TAX CREDIT UNDER § 9-105 OF THIS TITLE.**

18 **(V) "TAXABLE ASSESSMENT" MEANS THE ASSESSMENT ON**
19 **WHICH THE COUNTY PROPERTY TAX RATE WAS IMPOSED IN THE PRECEDING**
20 **TAXABLE YEAR, ADJUSTED BY THE PHASED-IN ASSESSMENT INCREASE**
21 **RESULTING FROM A REVALUATION UNDER § 8-104(C)(1)(III) OF THIS ARTICLE,**
22 **LESS THE AMOUNT OF ANY ASSESSMENT ON WHICH A PROPERTY TAX CREDIT**
23 **UNDER THIS SUBSECTION IS AUTHORIZED.**

24 **(2) IF THERE IS AN INCREASE IN THE PROPERTY ASSESSMENT OF**
25 **QUALIFYING REAL PROPERTY AS CALCULATED UNDER THIS SUBSECTION, THE**
26 **GOVERNING BODY OF SOMERSET COUNTY SHALL GRANT A PROPERTY TAX**
27 **CREDIT AS PROVIDED UNDER THIS SUBSECTION AGAINST THE COUNTY**
28 **PROPERTY TAX IMPOSED ON THE QUALIFYING REAL PROPERTY.**

29 **(3) THE CREDIT UNDER THIS SUBSECTION DOES NOT APPLY FOR**
30 **ANY TAXABLE YEAR IF, DURING THE PREVIOUS TAXABLE YEAR:**

1 (I) THE QUALIFYING REAL PROPERTY WAS TRANSFERRED
2 FOR CONSIDERATION TO NEW OWNERSHIP;

3 (II) THE VALUE OF THE QUALIFYING REAL PROPERTY WAS
4 INCREASED DUE TO A CHANGE IN THE ZONING CLASSIFICATION OF THE
5 QUALIFYING REAL PROPERTY INITIATED OR REQUESTED BY THE PROPERTY
6 OWNER OR ANYONE HAVING AN INTEREST IN THE QUALIFYING REAL PROPERTY;

7 (III) THE USE OF THE QUALIFYING REAL PROPERTY WAS
8 CHANGED SUBSTANTIALLY; OR

9 (IV) THE ASSESSMENT OF THE QUALIFYING REAL PROPERTY
10 WAS CLEARLY ERRONEOUS DUE TO AN ERROR IN CALCULATION OR
11 MEASUREMENT OF IMPROVEMENTS ON THE QUALIFYING REAL PROPERTY.

12 (4) FOR EACH TAXABLE YEAR, THE PROPERTY TAX CREDIT
13 UNDER THIS SUBSECTION IS CALCULATED BY:

14 (I) MULTIPLYING THE PRIOR YEAR'S TAXABLE ASSESSMENT
15 BY 120%;

16 (II) SUBTRACTING THAT AMOUNT FROM THE CURRENT
17 YEAR'S ASSESSMENT; AND

18 (III) IF THE DIFFERENCE IS A POSITIVE NUMBER,
19 MULTIPLYING THE DIFFERENCE BY THE COUNTY PROPERTY TAX RATE FOR THE
20 CURRENT YEAR.

21 (5) THE DEPARTMENT SHALL:

22 (I) GIVE NOTICE TO PROPERTY OWNERS IN SOMERSET
23 COUNTY OF THE POSSIBLE PROPERTY TAX CREDIT UNDER THIS SUBSECTION;
24 AND

25 (II) CALCULATE THE TAXABLE ASSESSMENT ON WHICH THE
26 PROPERTY TAX CREDIT IS AUTHORIZED.

27 (6) A PROPERTY OWNER WHO MEETS THE REQUIREMENTS OF
28 THIS SUBSECTION SHALL BE GRANTED THE PROPERTY TAX CREDIT UNDER THIS
29 SUBSECTION AGAINST THE SOMERSET COUNTY PROPERTY TAX IMPOSED ON
30 THE QUALIFYING REAL PROPERTY.

1 **(7) THE TAX CREDIT UNDER THIS SUBSECTION SHALL BE**
2 **INCLUDED ON THE PROPERTY OWNER'S PROPERTY TAX BILL.**

3 **(8) THE DEPARTMENT SHALL ADOPT REGULATIONS TO**
4 **ADMINISTER THE CREDIT UNDER THIS SUBSECTION.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 June 1, 2008, and shall be applicable to all taxable years beginning after June 30,
7 2008, but before July 1, 2013. It shall remain effective for a period of 5 years and 1
8 month and, at the end of June 30, 2013, with no further action required by the General
9 Assembly, this Act shall be abrogated and of no further force and effect.