

HOUSE BILL 591

Q2

8lr1656
CF SB 468

By: **Delegate Elmore**

Introduced and read first time: January 31, 2008

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 31, 2008

CHAPTER _____

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 authorizing the governing body of Somerset~~
15 ~~County or the governing body of a municipal corporation in Somerset County to~~
16 ~~grant, by law, a tax credit against the county or municipal corporation property~~
17 ~~tax imposed on certain real property under certain circumstances; authorizing~~
18 ~~the county or municipal corporation to provide, by law, for the amount of the~~
19 ~~credit and certain other provisions to carry out the credit; providing for the~~
20 ~~application and termination of this Act; and generally relating to a local~~
21 ~~property tax credit in Somerset County.~~

22 BY repealing and reenacting, with amendments,

23 Article – Tax – Property

24 Section 9–321

25 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2007 Replacement Volume)

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

4 **Article - Tax - Property**

5 9-321.

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

9 ~~(B) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE~~
10 ~~THE MEANINGS INDICATED:~~

11 ~~(ii) "LEGAL INTEREST" MEANS AN INTEREST IN~~
12 ~~QUALIFYING REAL PROPERTY:~~

13 ~~1. AS A SOLE OWNER;~~

14 ~~2. AS A JOINT TENANT;~~

15 ~~3. AS A TENANT IN COMMON;~~

16 ~~4. AS A TENANT BY THE ENTIRETIES;~~

17 ~~5. THROUGH MEMBERSHIP IN A COOPERATIVE;~~

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

20 ~~7. AS A HOLDER OF A LIFE ESTATE.~~

21 ~~(iii) "PROPERTY OWNER" MEANS A PERSON WHO HAS A~~
22 ~~LEGAL INTEREST IN QUALIFYING REAL PROPERTY.~~

23 ~~(iv) "QUALIFYING REAL PROPERTY" MEANS REAL~~
24 ~~PROPERTY OTHER THAN A DWELLING ELIGIBLE FOR THE HOMESTEAD~~
25 ~~PROPERTY TAX CREDIT UNDER § 9-105 OF THIS TITLE.~~

26 ~~(v) "TAXABLE ASSESSMENT" MEANS THE ASSESSMENT ON~~
27 ~~WHICH THE COUNTY PROPERTY TAX RATE WAS IMPOSED IN THE PRECEDING~~
28 ~~TAXABLE YEAR, ADJUSTED BY THE PHASED-IN ASSESSMENT INCREASE~~
29 ~~RESULTING FROM A REVALUATION UNDER § 8-104(C)(1)(iii) OF THIS ARTICLE,~~

1 ~~LESS THE AMOUNT OF ANY ASSESSMENT ON WHICH A PROPERTY TAX CREDIT~~
2 ~~UNDER THIS SUBSECTION IS AUTHORIZED.~~

3 ~~(2) IF THERE IS AN INCREASE IN THE PROPERTY ASSESSMENT OF~~
4 ~~QUALIFYING REAL PROPERTY AS CALCULATED UNDER THIS SUBSECTION, THE~~
5 ~~GOVERNING BODY OF SOMERSET COUNTY SHALL GRANT A PROPERTY TAX~~
6 ~~CREDIT AS PROVIDED UNDER THIS SUBSECTION AGAINST THE COUNTY~~
7 ~~PROPERTY TAX IMPOSED ON THE QUALIFYING REAL PROPERTY.~~

8 ~~(3) THE CREDIT UNDER THIS SUBSECTION DOES NOT APPLY FOR~~
9 ~~ANY TAXABLE YEAR IF, DURING THE PREVIOUS TAXABLE YEAR:~~

10 ~~(I) THE QUALIFYING REAL PROPERTY WAS TRANSFERRED~~
11 ~~FOR CONSIDERATION TO NEW OWNERSHIP;~~

12 ~~(II) THE VALUE OF THE QUALIFYING REAL PROPERTY WAS~~
13 ~~INCREASED DUE TO A CHANGE IN THE ZONING CLASSIFICATION OF THE~~
14 ~~QUALIFYING REAL PROPERTY INITIATED OR REQUESTED BY THE PROPERTY~~
15 ~~OWNER OR ANYONE HAVING AN INTEREST IN THE QUALIFYING REAL PROPERTY;~~

16 ~~(III) THE USE OF THE QUALIFYING REAL PROPERTY WAS~~
17 ~~CHANGED SUBSTANTIALLY; OR~~

18 ~~(IV) THE ASSESSMENT OF THE QUALIFYING REAL PROPERTY~~
19 ~~WAS CLEARLY ERRONEOUS DUE TO AN ERROR IN CALCULATION OR~~
20 ~~MEASUREMENT OF IMPROVEMENTS ON THE QUALIFYING REAL PROPERTY.~~

21 ~~(4) FOR EACH TAXABLE YEAR, THE PROPERTY TAX CREDIT~~
22 ~~UNDER THIS SUBSECTION IS CALCULATED BY:~~

23 ~~(I) MULTIPLYING THE PRIOR YEAR'S TAXABLE ASSESSMENT~~
24 ~~BY 120%;~~

25 ~~(II) SUBTRACTING THAT AMOUNT FROM THE CURRENT~~
26 ~~YEAR'S ASSESSMENT; AND~~

27 ~~(III) IF THE DIFFERENCE IS A POSITIVE NUMBER,~~
28 ~~MULTIPLYING THE DIFFERENCE BY THE COUNTY PROPERTY TAX RATE FOR THE~~
29 ~~CURRENT YEAR.~~

30 ~~(5) THE DEPARTMENT SHALL:~~

31 ~~(I) GIVE NOTICE TO PROPERTY OWNERS IN SOMERSET~~
32 ~~COUNTY OF THE POSSIBLE PROPERTY TAX CREDIT UNDER THIS SUBSECTION;~~
33 ~~AND~~

1 ~~(H) CALCULATE THE TAXABLE ASSESSMENT ON WHICH THE~~
2 ~~PROPERTY TAX CREDIT IS AUTHORIZED.~~

3 ~~(6) A PROPERTY OWNER WHO MEETS THE REQUIREMENTS OF~~
4 ~~THIS SUBSECTION SHALL BE GRANTED THE PROPERTY TAX CREDIT UNDER THIS~~
5 ~~SUBSECTION AGAINST THE SOMERSET COUNTY PROPERTY TAX IMPOSED ON~~
6 ~~THE QUALIFYING REAL PROPERTY.~~

7 ~~(7) THE TAX CREDIT UNDER THIS SUBSECTION SHALL BE~~
8 ~~INCLUDED ON THE PROPERTY OWNER'S PROPERTY TAX BILL.~~

9 ~~(8) THE DEPARTMENT SHALL ADOPT REGULATIONS TO~~
10 ~~ADMINISTER THE CREDIT UNDER THIS SUBSECTION.~~

11 (B) (1) IN THIS SUBSECTION, "TAXABLE ASSESSMENT" MEANS THE
12 ASSESSMENT ON WHICH THE COUNTY PROPERTY TAX RATE WAS IMPOSED IN
13 THE PRECEDING TAXABLE YEAR, ADJUSTED BY THE PHASED-IN ASSESSMENT
14 INCREASE RESULTING FROM A REVALUATION UNDER § 8-104(C)(1)(III) OF THIS
15 ARTICLE, LESS THE AMOUNT OF ANY ASSESSMENT ON WHICH A PROPERTY TAX
16 CREDIT UNDER THIS SUBSECTION IS GRANTED.

17 (2) THE GOVERNING BODY OF SOMERSET COUNTY OR THE
18 GOVERNING BODY OF A MUNICIPAL CORPORATION IN SOMERSET COUNTY MAY
19 GRANT, BY LAW, A TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL
20 CORPORATION PROPERTY TAX IMPOSED ON REAL PROPERTY:

21 (I) THAT IS NOT ELIGIBLE FOR THE HOMESTEAD PROPERTY
22 TAX CREDIT UNDER § 9-105 OF THIS TITLE; AND

23 (II) FOR WHICH THE CURRENT YEAR'S TAXABLE
24 ASSESSMENT EXCEEDS THE PRIOR YEAR'S TAXABLE ASSESSMENT BY MORE
25 THAN 20%.

26 (3) THE GOVERNING BODY OF SOMERSET COUNTY OR THE
27 GOVERNING BODY OF A MUNICIPAL CORPORATION IN SOMERSET COUNTY MAY
28 PROVIDE, BY LAW, FOR:

29 (I) THE AMOUNT OF THE TAX CREDIT UNDER THIS
30 SUBSECTION;

31 (II) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX
32 CREDIT UNDER THIS SUBSECTION;

1 (III) REGULATIONS AND PROCEDURES FOR THE
2 APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT;
3 AND

4 (IV) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE
5 CREDIT UNDER THIS SUBSECTION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 June 1, 2008, and shall be applicable to all taxable years beginning after June 30,
8 2008, but before July 1, ~~2013~~ 2011. It shall remain effective for a period of ~~5~~ 3 years
9 and 1 month and, at the end of June 30, ~~2013~~ 2011, with no further action required by
10 the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.