

# CHAPTER 280

(House Bill 591)

AN ACT concerning

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

FOR the purpose of ~~requiring the governing body of Somerset County to grant a credit against the county property tax imposed on certain real property under certain circumstances; providing that the credit does not apply under certain circumstances; providing for the calculation of the credit based on certain assessment increases over a certain amount; requiring the State Department of Assessments and Taxation to provide certain notice of a possible tax credit and calculate the taxable assessment on which the credit is authorized; requiring that the tax credit be included on a property owner's property tax bill; requiring the Department to adopt certain regulations; defining certain terms; providing for the application and termination of this Act; and generally relating to a property tax credit in Somerset County for certain assessment increases for certain qualifying real property~~ authorizing the governing body of Somerset County or the governing body of a municipal corporation in Somerset County to grant, by law, a tax credit against the county or municipal corporation property tax imposed on certain real property under certain circumstances; authorizing the county or municipal corporation to provide, by law, for the amount of the credit and certain other provisions to carry out the credit; providing for the application and termination of this Act; and generally relating to a local property tax credit in Somerset County.

BY repealing and reenacting, with amendments,

Article – Tax – Property  
Section 9–321  
Annotated Code of Maryland  
(2007 Replacement Volume)

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

### **Article – Tax – Property**

9–321.

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

~~(B) (1) (i) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(H) "LEGAL INTEREST" MEANS AN INTEREST IN QUALIFYING REAL PROPERTY:~~

- ~~1. AS A SOLE OWNER;~~
- ~~2. AS A JOINT TENANT;~~
- ~~3. AS A TENANT IN COMMON;~~
- ~~4. AS A TENANT BY THE ENTIRETIES;~~
- ~~5. THROUGH MEMBERSHIP IN A COOPERATIVE;~~
- ~~6. UNDER A LAND INSTALLMENT CONTRACT, AS DEFINED IN § 10-101 OF THE REAL PROPERTY ARTICLE; OR~~
- ~~7. AS A HOLDER OF A LIFE ESTATE.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(5) THE DEPARTMENT SHALL:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2008, and shall be applicable to all taxable years beginning after June 30, 2008, but before July 1, ~~2013~~ 2011. It shall remain effective for a period of ~~5~~ 3 years

and 1 month and, at the end of June 30, ~~2013~~ 2011, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

**Approved by the Governor, April 24, 2008.**