

HOUSE BILL 820

Q1

3lr2394
CF 3lr3086

By: **Delegate Frick**

Introduced and read first time: February 6, 2013

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Municipal Property Taxes – Annual Budget Ordinance and Special Rates**

3 FOR the purpose of requiring the governing body of a municipal corporation, in
4 selecting classes of property subject to a municipal corporation property tax, to
5 select only certain classes of property and establish certain classes of taxable
6 property in a certain ordinance; providing that the special rate established by a
7 governing body of a municipal corporation under certain circumstances may not
8 exceed a certain rate; providing for the application of this Act; and generally
9 relating to municipal corporation property taxes.

10 BY repealing and reenacting, without amendments,

11 Article – Tax – Property
12 Section 6–201 and 6–202
13 Annotated Code of Maryland
14 (2012 Replacement Volume)

15 BY repealing and reenacting, with amendments,

16 Article – Tax – Property
17 Section 6–203 and 6–303
18 Annotated Code of Maryland
19 (2012 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 6–201.

24 (a) Except as otherwise provided in this article, the State may impose State
25 property tax on the assessment of property that is subject to the State property tax.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) The Mayor and City Council of Baltimore City or the governing body of a
2 county is not required to pass any law to incorporate the State property tax in the
3 property tax bill or to collect the State property tax.

4 6–202.

5 The Mayor and City Council of Baltimore City or the governing body of a county
6 may impose property tax on the assessment of property that is subject to that county's
7 property tax.

8 6–203.

9 (a) Except as otherwise provided in this article **AND SUBJECT TO**
10 **SUBSECTION (B) OF THIS SECTION**, the governing body of a municipal corporation
11 may impose municipal corporation property tax on those classes of property that it
12 selects to be subject to municipal corporation property tax.

13 (b) **(1)** The municipal corporation property tax is imposed only on
14 assessments made under Title 8 of this article.

15 **(2) IN SELECTING CLASSES OF PROPERTY TO BE SUBJECT TO**
16 **MUNICIPAL CORPORATION PROPERTY TAX UNDER SUBSECTION (A) OF THIS**
17 **SECTION, THE GOVERNING BODY OF A MUNICIPAL CORPORATION:**

18 **(I) MAY SELECT ONLY CLASSES AND SUBCLASSES OF**
19 **PROPERTY THAT ARE IDENTIFIED UNDER TITLE 8 OF THIS ARTICLE; AND**

20 **(II) MAY ESTABLISH ONLY SUCH CLASSES IN AN ORDINANCE**
21 **THAT IS SEPARATE FROM THE MUNICIPAL CORPORATION'S ANNUAL BUDGET**
22 **ORDINANCE.**

23 6–303.

24 (a) (1) Except as provided in paragraph (2) of this subsection, in each year
25 after the date of finality and before the following July 1, the governing body of each
26 municipal corporation annually shall set the tax rate for the next taxable year on all
27 assessments of property subject to municipal corporation property tax.

28 (2) If not otherwise prohibited by this article **AND SUBJECT TO THE**
29 **PROVISIONS OF § 6–203(B) OF THIS TITLE AND § 6–303(D) OF THIS SUBTITLE**,
30 the governing body of a municipal corporation may set special rates for any class of
31 property that is subject to the municipal corporation property tax.

32 (b) The governing body of a municipal corporation may change a property tax
33 rate that is fixed in its charter if:

1 (1) the rate causes a loss of revenue because of exemption of property
2 that is subject to the tax rate; or

3 (2) a loss of revenue is caused by any special rate of municipal
4 corporation property tax.

5 (c) (1) Unless otherwise provided by the governing body of the municipal
6 corporation:

7 (i) there shall be a single municipal corporation property tax
8 rate for all real property subject to municipal corporation property tax except for
9 operating real property described in § 8–109(c) of this article; and

10 (ii) the municipal tax rate applicable to personal property and
11 the operating real property described in § 8–109(c) of this article for taxable years
12 beginning after June 30, 2001 shall be 2.5 times the rate for real property.

13 (2) Paragraph (1) of this subsection does not affect a special rate
14 prevailing in a taxing district or part of a municipal corporation.

15 **(D) IF THE GOVERNING BODY OF A MUNICIPAL CORPORATION**
16 **ESTABLISHES A SPECIAL RATE FOR ANY CLASS OF PROPERTY AS AUTHORIZED**
17 **UNDER THIS SECTION, THE SPECIAL RATE FOR ANY CLASS OF REAL PROPERTY**
18 **MAY NOT EXCEED 110% OF THE RATE APPLICABLE TO OTHER REAL PROPERTY.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 June 1, 2013, and shall be applicable to all taxable years beginning after June 30,
21 2013.