

# HOUSE BILL 133

Q1

(PRE-FILED)

5lr0058  
CF SB 183

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By: **Chair, Ways and Means Committee (By Request – Departmental – Assessments and Taxation)**

Requested: September 23, 2024

Introduced and read first time: January 8, 2025

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 22, 2025

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Department of Assessments and Taxation – Notification of Constant Yield**  
3 **Tax Rate – ~~Repeal~~ Alteration**

4 FOR the purpose of ~~repealing~~ altering the requirement that the State Department of  
5 Assessments and Taxation notify each taxing authority of the constant yield tax rate  
6 for each taxable year by requiring that the notice be sent by the Department to a  
7 taxing authority only on the request of the taxing authority; and generally relating  
8 to the constant yield tax rate.

9 ~~BY repealing and reenacting, without amendments,~~  
10 ~~Article – Tax – Property~~  
11 ~~Section 2 – 205(a)~~  
12 ~~Annotated Code of Maryland~~  
13 ~~(2019 Replacement Volume and 2024 Supplement)~~

14 ~~BY repealing~~  
15 ~~Article – Tax – Property~~  
16 ~~Section 2 – 205(e)~~  
17 ~~Annotated Code of Maryland~~  
18 ~~(2019 Replacement Volume and 2024 Supplement)~~

19 BY repealing and reenacting, with amendments,  
20 Article – Tax – Property

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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 Section 2–205  
 2 Annotated Code of Maryland  
 3 (2019 Replacement Volume and 2024 Supplement)

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

6 **Article – Tax – Property**

7 2–205.

8 (a) In this section, “taxing authority” means:

- 9 (1) the county council or board of county commissioners of a county;  
 10 (2) the City Council of Baltimore City; and  
 11 (3) the governing body of a municipal corporation.

12 (b) (1) On or before February 14 of each year, the Department shall send each  
 13 taxing authority:

14 (i) an estimate of the total assessment of all real property in the  
 15 county or municipal corporation for the next taxable year; [and]

16 **(II) IF REQUESTED BY A TAXING AUTHORITY IN ACCORDANCE**  
 17 **WITH SUBSECTION (C)(1) OF THIS SECTION, THE CONSTANT YIELD TAX RATE; AND**

18 **[(ii)] (III) an estimate of the total assessment:**

19 1. of all new construction and improvements in the county or  
 20 municipal corporation not assessed since the last date of finality; and

21 2. of all real property in the county or municipal corporation  
 22 that may be deleted from the assessment records.

23 (2) The Department shall notify each taxing authority of any change in the  
 24 estimated assessment of all real property in the county or the municipal corporation that  
 25 results from actions of a property tax assessment appeal board or the Maryland Tax Court.

26 ~~f(c) (1) The Department shall notify each taxing authority~~ **A TAXING**  
 27 **AUTHORITY MAY, ON OR BEFORE FEBRUARY 1 EACH YEAR, REQUEST THAT THE**  
 28 **DEPARTMENT CALCULATE AND NOTIFY THE TAXING AUTHORITY** of the constant yield  
 29 tax rate that will provide the same property tax revenue that is provided by the real  
 30 property tax rate that is in effect for the current taxable year.

1 (2) In calculating a constant yield tax rate for a taxable year, the  
2 Department shall use an estimate of the total assessment of all real property for the next  
3 taxable year exclusive of real property that appears for the 1st time on the assessment  
4 records.

5 (3) (i) The Department may amend a constant yield tax rate only as  
6 provided in this paragraph.

7 (ii) On or before April 15 each year, the Department may amend a  
8 constant yield tax rate when a county or municipal corporation alters the homestead tax  
9 credit percentage under § 9–105 of this article.

10 (iii) On or before May 15 each year, the Department may amend a  
11 constant yield tax rate:

- 12 1. when directed to make a change by an enactment of the  
13 General Assembly;
- 14 2. to correct an error in the calculation of the constant yield  
15 tax rate; or
- 16 3. to reflect a significant loss of taxable base, as determined  
17 by the Director.†

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
19 1, 2025.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.