

SENATE BILL 183

Q1

(PRE-FILED)

5lr0057
CF HB 133

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

Requested: September 23, 2024

Introduced and read first time: January 8, 2025

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: January 24, 2025

Returned to second reading: January 29, 2025

Senate action: Adopted with floor amendments

Read second time: January 29, 2025

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)~~

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 BY repealing and reenacting, with amendments,
 2 Article – Tax – Property
 3 Section 2–205
 4 Annotated Code of Maryland
 5 (2019 Replacement Volume and 2024 Supplement)

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

8 **Article – Tax – Property**

9 2–205.

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

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

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

16 (i) an estimate of the total assessment of all real property in the
 17 county or municipal corporation for the next taxable year;

18 (II) IF REQUESTED BY A TAXING AUTHORITY IN ACCORDANCE
 19 WITH SUBSECTION (C)(1) OF THIS SECTION, THE CONSTANT YIELD TAX RATE; [and]
 20 AND

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

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

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

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

29 ~~[(c) (1) The Department shall notify each taxing authority~~ A TAXING
 30 AUTHORITY MAY, ON OR BEFORE FEBRUARY 1 EACH YEAR, REQUEST THAT THE

1 **DEPARTMENT CALCULATE AND NOTIFY THE TAXING AUTHORITY** of the constant yield
 2 tax rate that will provide the same property tax revenue that is provided by the real
 3 property tax rate that is in effect for the current taxable year.

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

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

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

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

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
 22 1, 2025.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.