

HOUSE BILL 919

Q1

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By: **Delegate Fair**

Introduced and read first time: February 2, 2024

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – County Authority to Set Special Rates**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the
4 governing body of a county to set special property tax rates for certain subclasses of
5 property for the purpose of financing certain transportation improvements or a
6 certain minimum school funding amount; prohibiting a special rate from exceeding
7 a certain amount; establishing certain subclasses of real property; and generally
8 relating to county authority to set special property tax rates.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 6–302 and 8–101
12 Annotated Code of Maryland
13 (2019 Replacement Volume and 2023 Supplement)

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

16 **Article – Tax – Property**

17 6–302.

18 (a) Except as otherwise provided in this section and after complying with § 6–305
19 of this subtitle, in each year after the date of finality and before the following July 1, the
20 Mayor and City Council of Baltimore City or the governing body of each county annually
21 shall set the tax rate for the next taxable year on all assessments of property subject to that
22 county’s property tax.

23 (b) (1) Except as provided in subsection (c) of this section, §§ 6–305 and 6–306
24 of this subtitle and § 6–203 of this title:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) there shall be a single county property tax rate for all real
2 property subject to county property tax except for operating real property described in §
3 8–109(c) of this article; and

4 (ii) the county tax rate applicable to personal property and the
5 operating real property described in § 8–109(c) of this article shall be no more than 2.5
6 times the rate for real property.

7 (2) Paragraph (1) of this subsection does not affect a special rate prevailing
8 in a taxing district or part of a county.

9 (c) [(1) Intangible personal property is subject to county property tax as
10 otherwise provided in this title at a rate set annually, if:

11 (i) the intangible personal property has paid interest or dividends
12 during the 12 months that precede the date of finality;

13 (ii) interest or dividends were withheld on the intangible personal
14 property during the 12 months that precede the date of finality to avoid the tax under this
15 subsection;

16 (iii) the intangible personal property consists of newly issued bonds,
17 certificates of indebtedness, or evidences of debt on which interest is not in default; or

18 (iv) a stock dividend has been declared on the intangible personal
19 property during the 12 months that precede the date of finality.

20 (2) The county tax rate for the intangible personal property is 30 cents for
21 each \$100 of assessment.]

22 **(1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE**
23 **GOVERNING BODY OF A COUNTY MAY SET A SPECIAL PROPERTY TAX RATE FOR A**
24 **SUBCLASS OF REAL PROPERTY ESTABLISHED IN § 8–101(C) OF THIS ARTICLE:**

25 **(I) WITHIN A SPECIAL TAXING DISTRICT ESTABLISHED FOR THE**
26 **PURPOSE OF FINANCING THE COST OF STATE OR COUNTY TRANSPORTATION**
27 **IMPROVEMENTS UNDER TITLE 21, SUBTITLE 7 OF THE LOCAL GOVERNMENT**
28 **ARTICLE; OR**

29 **(II) FOR THE PURPOSE OF FINANCING THE COST OF THE**
30 **COUNTY'S MINIMUM SCHOOL FUNDING AMOUNT UNDER § 5–234 OF THE EDUCATION**
31 **ARTICLE.**

32 **(2) A SPECIAL RATE SET UNDER PARAGRAPH (1) OF THIS**
33 **SUBSECTION MAY NOT EXCEED 12.5 CENTS FOR EACH \$100 OF ASSESSED VALUE.**

1 **(3) IF BALTIMORE CITY OR A COUNTY SETS A SPECIAL PROPERTY TAX**
2 **RATE UNDER PARAGRAPH (1) OF THIS SUBSECTION, IT SHALL PROMPTLY SEND A**
3 **NOTICE TO THE DEPARTMENT THAT INCLUDES:**

4 **(I) THE AMOUNT OF THE RATE; AND**

5 **(II) THE CLASS OF PROPERTY TO WHICH THE RATE APPLIES.**

6 8–101.

7 (a) For assessment purposes, property shall be divided into classes and
8 subclasses.

9 (b) Real property is a class of property and is divided into the following subclasses:

10 (1) land that is actively devoted to farm or agricultural use, assessed under
11 § 8–209 of this title;

12 (2) marshland, assessed under § 8–210 of this title;

13 (3) woodland, assessed under § 8–211 of this title;

14 (4) land of a country club or golf course, assessed under §§ 8–212 through
15 8–217 of this title;

16 (5) land that is used for a planned development, assessed under §§ 8–220
17 through 8–225 of this title;

18 (6) rezoned real property that is used for residential purposes, assessed
19 under §§ 8–226 through 8–228 of this title;

20 (7) operating real property of a railroad;

21 (8) operating real property of a public utility;

22 (9) property valued under § 8–105(a)(3) of this subtitle;

23 (10) conservation property, assessed under § 8–209.1 of this title; and

24 (11) all other real property that is directed by this article to be assessed.

25 **(C) (1) FOR THE PURPOSES DESCRIBED IN § 6–302(C) OF THIS ARTICLE,**
26 **REAL PROPERTY IS DIVIDED INTO THE FOLLOWING SUBCLASSES OF REAL**
27 **PROPERTY:**

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1 (I) COMMERCIAL OR INDUSTRIAL;

2 (II) RESIDENTIAL RENTAL THAT HAS AT LEAST FOUR UNITS
3 BUILT AS APARTMENTS;

4 (III) RESIDENTIAL, COMMERCIAL, OR INDUSTRIAL
5 CONDOMINIUM;

6 (IV) PROPERTY USED FOR BOTH RESIDENTIAL AND
7 COMMERCIAL PURPOSES;

8 (V) RESIDENTIAL TOWNHOUSE OR ROWHOUSE; AND

9 (VI) A VACANT LOT OR IMPROVED PROPERTY CITED AS VACANT
10 AND UNFIT FOR HABITATION OR OTHER AUTHORIZED USE ON A HOUSING OR
11 BUILDING VIOLATION NOTICE.

12 (2) THE SUBCLASSES UNDER PARAGRAPH (1)(I) THROUGH (V) OF
13 THIS SUBSECTION ARE AS DEFINED BY THE CORRESPONDING LAND USE CODES IN
14 THE MARYLAND ASSESSMENT PROCEDURE MANUAL.

15 [(c)] (D) Personal property is a class of property and is divided into the following
16 subclasses:

17 (1) stock in business;

18 (2) distilled spirits;

19 (3) operating personal property of a railroad;

20 (4) operating personal property of a public utility that is machinery or
21 equipment used to generate electricity or steam for sale;

22 (5) all other operating personal property of a public utility;

23 (6) machinery and equipment, other than operating personal property of a
24 public utility, that is used to generate:

25 (i) electricity or steam for sale; or

26 (ii) hot or chilled water for sale that is used to heat or cool a building;

27 and

28 (7) all other personal property that is directed by this article to be assessed.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
2 1, 2024, and shall be applicable to all taxable years beginning after June 30, 2024.