

SENATE BILL 491

Q1

2lr2119

By: **Senator Benson**

Introduced and read first time: January 27, 2022

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Taxation of Business Property – Tax Rates, Exemptions, and**
3 **Credits**

4 FOR the purpose of prohibiting the county tax rate and municipal tax rate applicable to
5 business personal property from exceeding a certain rate; exempting business
6 personal property from the property tax imposed by a county or municipal
7 corporation, subject to certain exceptions; authorizing the Mayor and City Council of
8 Baltimore City or the governing body of a county or municipal corporation to grant,
9 by law, a certain property tax credit against the county or municipal corporation
10 property tax imposed on business property; and generally relating to the taxation of
11 business property.

12 BY repealing and reenacting, without amendments,
13 Article – Tax – Property
14 Section 6–302(a) and 6–303(a)
15 Annotated Code of Maryland
16 (2019 Replacement Volume and 2021 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Tax – Property
19 Section 6–302(b) and 6–303(c)
20 Annotated Code of Maryland
21 (2019 Replacement Volume and 2021 Supplement)

22 BY adding to
23 Article – Tax – Property
24 Section 6–302(d), 6–303(d), 7–402, and 9–267
25 Annotated Code of Maryland
26 (2019 Replacement Volume and 2021 Supplement)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 That the Laws of Maryland read as follows:

2 **Article – Tax – Property**

3 6–302.

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

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

11 (i) there shall be a single county property tax rate for all real
12 property subject to county property tax except for operating real property described in §
13 8–109(c) of this article; and

14 (ii) **SUBJECT TO THE LIMITATION UNDER SUBSECTION (D) OF**
15 **THIS SECTION**, the county tax rate applicable to personal property and the operating real
16 property described in § 8–109(c) of this article shall be no more than 2.5 times the rate for
17 real property.

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

20 **(D) THE COUNTY TAX RATE APPLICABLE TO PERSONAL PROPERTY MAY NOT**
21 **EXCEED \$2 FOR EACH \$100 OF ASSESSMENT.**

22 6–303.

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

27 (2) If not otherwise prohibited by this article, the governing body of a
28 municipal corporation may set special rates for any class of property that is subject to the
29 municipal corporation property tax.

30 (c) (1) Unless otherwise provided by the governing body of the municipal
31 corporation:

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

1 (ii) **SUBJECT TO THE LIMITATION UNDER SUBSECTION (D) OF**
2 **THIS SECTION**, the municipal tax rate applicable to personal property and the operating
3 real property described in § 8–109(c) of this article for taxable years beginning after June
4 30, 2001 shall be 2.5 times the rate for real property.

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

7 **(D) THE MUNICIPAL TAX RATE APPLICABLE TO PERSONAL PROPERTY MAY**
8 **NOT EXCEED \$2 FOR EACH \$100 OF ASSESSMENT.**

9 **7–402.**

10 **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, PERSONAL**
11 **PROPERTY IS NOT SUBJECT TO COUNTY OR MUNICIPAL CORPORATION PROPERTY**
12 **TAX.**

13 **(B) SUBJECT TO THE LIMITATIONS UNDER §§ 6–302 AND 6–303 OF THIS**
14 **ARTICLE, THE PERSONAL PROPERTY OF A HEALTH CLUB, FITNESS CLUB, FITNESS**
15 **CENTER, OR HEALTH SPA IS SUBJECT TO COUNTY OR MUNICIPAL CORPORATION**
16 **PROPERTY TAX.**

17 **9–267.**

18 **(A) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE**
19 **GOVERNING BODY OF A COUNTY OR A MUNICIPAL CORPORATION MAY GRANT A TAX**
20 **CREDIT AGAINST THE PROPERTY TAX IMPOSED ON THE PROPERTY OF A BUSINESS**
21 **THAT IS SUBJECT TO COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX.**

22 **(B) THE TAX CREDIT UNDER THIS SECTION:**

23 **(1) MAY NOT EXCEED AN AMOUNT EQUAL TO 80% OF THE PERSONAL**
24 **PROPERTY TAXES PAID BY THE BUSINESS FOR A TAXABLE YEAR BEGINNING AFTER**
25 **JUNE 30, 2018, BUT BEFORE JULY 1, 2022; AND**

26 **(2) MAY BE CLAIMED FOR ONLY A SINGLE TAXABLE YEAR.**

27 **(C) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE**
28 **GOVERNING BODY OF A COUNTY OR A MUNICIPAL CORPORATION MAY PROVIDE, BY**
29 **LAW, FOR:**

30 **(1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE AMOUNT OF**
31 **THE TAX CREDIT UNDER THIS SECTION;**

1 **(2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT;**

2 **(3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND**
3 **UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND**

4 **(4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX**
5 **CREDIT UNDER THIS SECTION.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1,
7 2022, the State Department of Assessments and Taxation shall identify provisions of the
8 Annotated Code of Maryland or the Code of Public Local Laws that are rendered inaccurate
9 or obsolete as a result of Section 1 of this Act and, in accordance with § 2–1257 of the State
10 Government Article, shall submit a report to the General Assembly on its findings with
11 recommendations for any amendments to the Annotated Code of Maryland or the Code of
12 Public Local Laws.

13 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be
14 applicable to all taxable years beginning after June 30, 2022.

15 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June
16 1, 2022.