

# SENATE BILL 869

Q1, M4

4lr1703  
CF HB 640

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By: **Senators Guzzone, Elfreth, Hester, and Jennings**

Introduced and read first time: February 2, 2024

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Improvements on Agricultural Land – Assessment**

3 FOR the purpose of clarifying a property owner’s right to receive information on the  
4 calculation of an assessment; requiring owners of certain buildings to provide certain  
5 information to the supervisor of assessments within a certain period of time after  
6 construction of the buildings is completed; creating a subclass of real property  
7 consisting of improvements on agricultural land; requiring improvements on  
8 agricultural land to be assessed in a certain manner; requiring the State Department  
9 of Assessments and Taxation to provide an assessment worksheet on request of the  
10 property owner in an electronic format; prohibiting the State or a governing body of  
11 a county or a municipal corporation from imposing a property tax or penalty on  
12 certain buildings under certain circumstances; authorizing the State or the  
13 governing body of a county or a municipal corporation to impose a property tax or  
14 penalty on certain buildings under certain circumstances; authorizing the owner of  
15 improvements on agricultural land to appeal the value or classification by a certain  
16 date; and generally relating to the assessment and taxation of improvements on  
17 agricultural land.

18 BY repealing and reenacting, without amendments,  
19 Article – Tax – Property  
20 Section 1–101(a)  
21 Annotated Code of Maryland  
22 (2019 Replacement Volume and 2023 Supplement)

23 BY adding to  
24 Article – Tax – Property  
25 Section 1–101(a–1) and (rr), 5–104, and 8–209.2  
26 Annotated Code of Maryland  
27 (2019 Replacement Volume and 2023 Supplement)

28 BY repealing and reenacting, with amendments,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Tax – Property  
2 Section 1–402(1), 8–101(b), 8–102, and 14–201(c)  
3 Annotated Code of Maryland  
4 (2019 Replacement Volume and 2023 Supplement)

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

7 **Article – Tax – Property**

8 1–101.

9 (a) In this article the following words have the meanings indicated.

10 (A–1) “**AGRICULTURAL LAND**” MEANS LAND THAT IS ACTIVELY DEVOTED TO  
11 FARM OR AGRICULTURAL USE, ASSESSED UNDER § 8–209 OF THIS ARTICLE.

12 (RR) (1) “**VALUE–ADDED AGRICULTURAL ACTIVITIES**” MEANS ACTIVITIES  
13 ON AN ACTIVELY USED FARM THAT ARE RELATED TO:

14 (I) AGRICULTURAL ALCOHOL PRODUCTION, AS DEFINED IN §  
15 4–214(A) OF THE LAND USE ARTICLE;

16 (II) AGRITOURISM, AS DEFINED IN § 4–212 OF THE LAND USE  
17 ARTICLE;

18 (III) EQUINE ACTIVITIES, AS DEFINED IN § 2–701 OF THE  
19 AGRICULTURE ARTICLE;

20 (IV) INCREASING THE VALUE OF AN AGRICULTURAL PRODUCT  
21 BY PROCESSING, MANUFACTURING, PACKAGING, STORING, SELLING, OR  
22 PROMOTING THE AGRICULTURAL PRODUCT, IF THE AGRICULTURAL PRODUCT IS  
23 DERIVED FROM INGREDIENTS PRODUCED ON THE FARM OR ANY PROPERTY UNDER  
24 THE CONTROL OF THE SAME ENTITY;

25 (V) ROADSIDE STANDS;

26 (VI) OTHER AGRICULTURAL USES THAT ARE PERMISSIBLE  
27 UNDER LOCAL ZONING;

28 (VII) HOSTING EDUCATIONAL FIELD TRIPS; AND

29 (VIII) ANY OTHER ACTIVITIES THAT THE SECRETARY OF  
30 AGRICULTURE DETERMINES BY REGULATION ARE VALUE–ADDED AGRICULTURAL

1 **ACTIVITIES.**

2 **(2) “VALUE-ADDED AGRICULTURAL ACTIVITIES” DOES NOT**  
3 **INCLUDE:**

4 **(I) RENTING A FACILITY FOR PRIVATE EVENTS IF THE FACILITY**  
5 **IS RENTED FOR MORE THAN 24 EVENTS PER YEAR OR MORE THAN THE NUMBER OF**  
6 **EVENTS PERMISSIBLE UNDER LOCAL ORDINANCE, WHICHEVER IS GREATER; OR**

7 **(II) ANY ACTIVITY THAT THE LOCAL ZONING AUTHORITY HAS**  
8 **NOT APPROVED FOR LAND ZONED FOR AGRICULTURAL USE.**

9 1-402.

10 Property owners in this State have the following rights:

11 (1) [(i)] the right to an assessment notice upon reassessment, as provided  
12 in § 8-401 of this article, that clearly explains:

13 [1.] (I) the property owner’s right to appeal an assessment;

14 [2.] (II) that the determination of value is based upon  
15 information contained in the valuation records of the Department;

16 [3.] (III) the property owner’s right of access to the valuation  
17 records of the Department; [and]

18 [4.] (IV) that if an assessment has increased, the total  
19 amount of property tax owed by the property owner may also increase even if the property  
20 tax rate has not increased; and

21 [(ii)] (V) the right to receive information concerning the calculation  
22 of the assessment [and] **OF A PARTICULAR PROPERTY, INCLUDING A** description of the  
23 property on the Department’s website;

24 **5-104.**

25 **(A) IN THIS SECTION, “BUILDING” MEANS ANY STRUCTURE THAT:**

26 **(1) IS LOCATED ON AGRICULTURAL LAND;**

27 **(2) IS USED FOR ANY PURPOSE OTHER THAN RESIDENTIAL; AND**

28 **(3) HAS A FOOTPRINT OF AT LEAST 400 SQUARE FEET.**

1           **(B) THIS SECTION:**

2                   **(1) APPLIES TO BUILDINGS COMPLETED ON OR AFTER JUNE 1, 2024;**  
3 **AND**

4                   **(2) DOES NOT APPLY TO BUILDINGS THAT ARE UNUSABLE DUE TO**  
5 **DETERIORATION.**

6           **(C) (1) WITHIN 90 DAYS AFTER COMPLETION OF A BUILDING, THE OWNER**  
7 **SHALL NOTIFY THE SUPERVISOR OF THE COUNTY WHERE THE BUILDING IS LOCATED**  
8 **THAT THE BUILDING HAS BEEN CONSTRUCTED.**

9                   **(2) THE NOTIFICATION SHALL INCLUDE THE FOLLOWING**  
10 **INFORMATION:**

11                   **(I) THE LOCATION OF THE PROPERTY AND THE BUILDING ON**  
12 **THAT PROPERTY;**

13                   **(II) THE FOOTPRINT AND TOTAL SQUARE FOOTAGE OF THE**  
14 **BUILDING;**

15                   **(III) THE INTENDED USE OF THE BUILDING, INCLUDING AN**  
16 **ESTIMATE OF THE NUMBER OF WEEKS PER YEAR THAT THE BUILDING WILL BE USED**  
17 **FOR THAT PURPOSE;**

18                   **(IV) THE DATE THE BUILDING WAS COMPLETED; AND**

19                   **(V) THE TOTAL COST OF CONSTRUCTION OF THE BUILDING.**

20           **(D) THE DEPARTMENT SHALL PRESCRIBE THE FORM FOR PROVIDING**  
21 **NOTICE UNDER SUBSECTION (C) OF THIS SECTION AND MAKE THE FORM AVAILABLE**  
22 **ON THE DEPARTMENT'S WEBSITE.**

23 8–101.

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

25                   **(1) AGRICULTURAL land [that is actively devoted to farm or agricultural**  
26 **use, assessed under § 8–209 of this title];**

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

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

1 (4) land of a country club or golf course, assessed under §§ 8–212 through  
2 8–217 of this title;

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

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

7 (7) operating real property of a railroad;

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

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

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

11 **(11) IMPROVEMENTS ON AGRICULTURAL LAND, ASSESSED UNDER §**  
12 **8–209.2 OF THIS TITLE; AND**

13 **[(11)] (12)** all other real property that is directed by this article to be  
14 assessed.

15 8–102.

16 (a) Except as provided in subsection (b) of this section, the value of real property  
17 shall be its value on the date of finality.

18 (b) The value of the land described in §§ 8–209, **8–209.1, 8–210** through 8–217,  
19 and 8–220 through 8–225 of this title shall be its use value on the date of finality as  
20 described in those sections.

21 **8–209.2.**

22 **(A) THIS SECTION DOES NOT APPLY TO A HOMESITE LOCATED ON**  
23 **AGRICULTURAL LAND.**

24 **(B) IMPROVEMENTS TO AGRICULTURAL LAND SHALL BE ASSESSED AS**  
25 **FOLLOWS:**

26 **(1) FOR IMPROVEMENTS THAT SUPPORT THE ACTIVITIES OF AN**  
27 **ACTIVELY USED FARM, 5% OF THE FULL CASH VALUE;**

28 **(2) EXCEPT AS PROVIDED IN ITEM (3) OF THIS SUBSECTION, FOR**

1 IMPROVEMENTS THAT SUPPORT VALUE-ADDED AGRICULTURAL ACTIVITIES, 25% OF  
2 THE FULL CASH VALUE; AND

3 **(3) FOR AN INDOOR RIDING ARENA USED FOR EQUINE ACTIVITIES AS**  
4 **DEFINED UNDER § 2-701 OF THE AGRICULTURE ARTICLE, 50% OF THE FULL CASH**  
5 **VALUE.**

6 14-201.

7 (c) **(1)** The Department shall provide a copy of assessment worksheets and  
8 cards that relate to a real property valuation:

9 **[(1)] (I)** to the person whose property is the subject of the valuation if:

10 **[(i)] 1.** the value or classification of the property is to be changed  
11 for property tax purposes; and

12 **[(ii)] 2.** the person requests the worksheets and cards; or

13 **[(2)] (II)** except for income and expense statements, to any person who  
14 pays property tax, if the person:

15 **[(i)] 1.** seeks the worksheets and cards for other comparable  
16 property;

17 **[(ii)] 2.** has a timely filed and pending appeal under Subtitle 5 of  
18 this title regarding the assessment of the person's property;

19 **[(iii)] 3.** identifies the comparable property by address; and

20 **[(iv)] 4.** pays the reasonable fee that the Department requires for  
21 the copy.

22 **(2) ON REQUEST OF THE PROPERTY OWNER, THE DEPARTMENT**  
23 **SHALL MAKE AVAILABLE THE ASSESSMENT WORKSHEET UNDER PARAGRAPH (1)(I)**  
24 **OF THIS SUBSECTION IN AN ELECTRONIC FORMAT.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That, for buildings, as defined in §  
26 5-104 of the Tax – Property Article, as enacted by Section 1 of this Act, that were completed  
27 before June 1, 2024, the owner shall notify the supervisor of the county where the building  
28 is located that a building was constructed. The notification shall be made before June 30,  
29 2026, and include the information required under § 5-104(c)(2) of the Tax – Property  
30 Article, as enacted by Section 1 of this Act.

31 SECTION 3. AND BE IT FURTHER ENACTED, That the State or the governing

1 body of a county or a municipal corporation:

2 (1) may not impose a retroactive property tax or penalties for nonpayment  
3 of delinquent property tax on buildings, as defined in § 5–104 of the Tax – Property Article,  
4 as enacted by Section 1 of this Act, that were:

5 (i) completed before June 1, 2024; and

6 (ii) escaped property, as defined in § 8–417 of the Tax – Property  
7 Article, before the owner submitted the notification required under Section 2 of this Act;  
8 and

9 (2) if the notification required under Section 2 of this Act is not provided  
10 before June 30, 2026, may impose a property tax and penalties for nonpayment of  
11 delinquent property tax on buildings, as defined in § 5–104 of the Tax – Property Article,  
12 as enacted by Section 1 of this Act, in accordance with law.

13 SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding § 14–503 of  
14 the Tax – Property Article, the owner of improvements to land assessed under § 8–209.2 of  
15 the Tax – Property Article, as enacted by Section 1 of this Act, may appeal the value or  
16 classification of the real property by submitting a petition for review to the supervisor or  
17 the Department on or before the date of finality for the third taxable year after a change in  
18 the value or classification occurred.

19 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
20 1, 2024, and shall be applicable to all taxable years beginning after June 30, 2024. Sections  
21 2, 3, and 4 of this Act shall remain effective for a period of 4 years and, at the end of May  
22 31, 2028, Sections 2, 3 and 4 of this Act, with no further action required by the General  
23 Assembly, shall be abrogated and of no further force and effect.