

HOUSE BILL 844

Q1

2lr1729

By: **Delegates Buckel, Anderton, Arentz, Arikan, Boteler, Cox, Ghrist, Griffith, Hartman, Hornberger, Howard, Jacobs, Kipke, Krebs, Mangione, McComas, McKay, Morgan, Munoz, Novotny, Otto, Reilly, Rose, Saab, Shoemaker, Szeliga, and Wivell**

Introduced and read first time: February 7, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property Tax Rates – Notification to Real Property Taxpayers**

3 FOR the purpose of requiring a certain taxing authority to mail a certain notice to each real
4 property taxpayer who resides in the jurisdiction of the taxing authority before
5 adopting a real property tax rate that exceeds the constant yield tax rate; altering
6 the contents of certain information required to be mailed with each real property tax
7 bill; and generally relating to real property tax rates.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – Property
10 Section 6–308
11 Annotated Code of Maryland
12 (2019 Replacement Volume and 2021 Supplement)

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

Article – Tax – Property

15 6–308.

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

18 (1) the county council or board of county commissioners;

19 (2) the City Council of Baltimore City; and

20 (3) the governing body of a municipal corporation.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) Unless the requirements of this section are met, a taxing authority may
2 not set a county or municipal corporation real property tax rate that exceeds the constant
3 yield tax rate in any taxable year excluding revenue from real property appearing for the
4 1st time on the assessment roll.

5 (2) A taxing authority does not meet the requirements of this section until
6 it provides to the Department[:

7 (i)] on or before 15 days after the date of the advertisement **OR**
8 **MAILING NOTICE** required by this section:

9 (I) a copy of the entire newspaper page that carried the meeting
10 notice required by **SUBSECTION (C)(1) OF** this section; [or] **AND**

11 (ii) the evidence that the Department requires of the mailing of the
12 notices [described in] **REQUIRED UNDER** subsection [(c)] **(C)(2)** of this section.

13 (c) If a taxing authority intends to set a county or municipal corporation real
14 property tax rate that exceeds the constant yield tax rate, it shall advertise to the public
15 by:

16 (1) placing an advertisement that satisfies the Department and meets the
17 requirements of **SUBSECTIONS (D) AND (E)(1) OF** this section in a newspaper of general
18 circulation in the jurisdiction of the taxing authority; [or] **AND**

19 (2) mailing a notice that meets the requirements of **SUBSECTION (E)(2)**
20 **OF** this section to each property taxpayer who resides in the jurisdiction.

21 (d) (1) The advertisement shall be at least 1/4 of a page in size for counties and
22 1/8 of a page in size for municipal corporations.

23 (2) The type that is used in the advertisement shall be:

24 (i) at least 18 point for counties; and

25 (ii) at least 12 point for municipal corporations.

26 (3) The advertisement may not be placed with legal notices or classified
27 advertisements.

28 (4) The headline for the advertisement shall be in bold print, with all
29 letters capitalized.

30 (5) The text of the advertisement, other than the headline, shall be in upper
31 and lower case letters.

1 (e) (1) The [notice or] advertisement **REQUIRED UNDER SUBSECTION (C)(1)**
 2 **OF THIS SECTION** shall be in the following form:

3 “..... (NAME OF JURISDICTION) NOTICE OF A PROPOSED REAL
 4 PROPERTY TAX INCREASE

5 The..... (name of taxing authority) of..... (name of jurisdiction) proposes to
 6 increase real property taxes.

7 1. For the tax year beginning July 1,....., the estimated real property
 8 assessable base will increase by.....%, from \$..... to \$.....

9 2. If..... (name of jurisdiction) maintains the current tax rate of \$..... per \$100
 10 of assessment, real property tax revenues will increase by.....% resulting in
 11 \$..... of new real property tax revenues.

12 3. In order to fully offset the effect of increasing assessments, the real
 13 property tax rate should be reduced to \$....., the constant yield tax rate.

14 4. The..... (county, city, town, etc.) is considering not reducing its real
 15 property tax rate enough to fully offset increasing assessments. The..... (county,
 16 city, town, etc.) proposes to adopt a real property tax rate of \$..... per \$100 of
 17 assessment. This tax rate is.....% higher than the constant yield tax rate and
 18 will generate \$..... in additional property tax revenues.

19 A public hearing on the proposed real property tax rate increase will be held
 20 at..... (time) on..... (date) at..... (location). The hearing is open to the public, and
 21 public testimony is encouraged. Persons with questions regarding this hearing
 22 may call..... (phone number) for further information.”

23 (2) **THE NOTICE REQUIRED UNDER SUBSECTION (C)(2) OF THIS**
 24 **SECTION SHALL BE IN THE FOLLOWING FORM:**

25 “..... (NAME OF JURISDICTION) NOTICE OF A PROPOSED
 26 REAL PROPERTY TAX INCREASE
 27 THE..... (NAME OF TAXING AUTHORITY) OF..... (NAME OF
 28 JURISDICTION) PROPOSES TO INCREASE REAL PROPERTY TAXES.

29 1. **FOR THE TAX YEAR BEGINNING JULY 1,....., THE ESTIMATED REAL**
 30 **PROPERTY ASSESSABLE BASE WILL INCREASE BY.....%, FROM \$..... TO**
 31 **\$.....**

32 2. **IF..... (NAME OF JURISDICTION) MAINTAINS THE CURRENT TAX RATE**
 33 **OF \$..... PER \$100 OF ASSESSMENT, REAL PROPERTY TAX REVENUES WILL**
 34 **INCREASE BY.....% RESULTING IN \$..... OF NEW REAL PROPERTY TAX**
 35 **REVENUES.**

36 3. **IN ORDER TO FULLY OFFSET THE EFFECT OF INCREASING**
 37 **ASSESSMENTS, THE REAL PROPERTY TAX RATE SHOULD BE REDUCED TO**
 38 **\$....., THE CONSTANT YIELD TAX RATE.**

1 **4. THE..... (COUNTY, CITY, TOWN, ETC.) IS CONSIDERING NOT**
 2 **REDUCING ITS REAL PROPERTY TAX RATE ENOUGH TO FULLY OFFSET**
 3 **INCREASING ASSESSMENTS. THE..... (COUNTY, CITY, TOWN, ETC.)**
 4 **PROPOSES TO ADOPT A REAL PROPERTY TAX RATE OF \$..... PER \$100 OF**
 5 **ASSESSMENT. THIS TAX RATE IS.....% HIGHER THAN THE CONSTANT**
 6 **YIELD TAX RATE AND WILL GENERATE \$..... IN ADDITIONAL PROPERTY**
 7 **TAX REVENUES FOR THE (COUNTY, CITY, TOWN, ETC.).**

8 **5. THIS TAX RATE WILL (INCREASE, DECREASE) THE PROPERTY TAXES**
 9 **OWED ON THIS PROPERTY BY \$.....**

10 **A PUBLIC HEARING ON THE PROPOSED REAL PROPERTY TAX RATE**
 11 **INCREASE WILL BE HELD AT..... (TIME) ON..... (DATE) AT..... (LOCATION).**
 12 **THE HEARING IS OPEN TO THE PUBLIC, AND PUBLIC TESTIMONY IS**
 13 **ENCOURAGED. PERSONS WITH QUESTIONS REGARDING THIS HEARING**
 14 **MAY CALL..... (PHONE NUMBER) FOR FURTHER INFORMATION.”**

15 (f) (1) The meeting on the proposed county or municipal corporation real
 16 property tax rate increase shall be held:

17 (i) on or after the 7th day and on or before the 21st day after the
 18 notice is published as required by subsection (c) of this section; and

19 (ii) on or before June 17th before the date required by law for
 20 imposition of the real property tax.

21 (2) The meeting may coincide with the meeting on the proposed budget of
 22 the taxing authority.

23 (3) In computing periods of time under this subsection all calendar days
 24 shall be counted including Saturdays, Sundays, and holidays.

25 (g) After the meeting, the taxing authority may adopt by law an increase in the
 26 county or municipal corporation real property tax rate that exceeds the constant yield tax
 27 rate:

28 (1) on the day of the meeting; or

29 (2) on a later day, if the day, time, and location to consider the increase are
 30 announced at that meeting.

31 (h) The requirements of this section do not apply if a taxing authority:

32 (1) increases the county or municipal corporation real property tax rate
 33 above the constant yield tax rate solely because of the reduction in the taxing authority's
 34 real property assessable base due to the final determination of assessment appeals; or

1 (2) sets a county or municipal corporation real property tax rate that does
2 not exceed the constant yield tax rate.

3 (i) (1) Annually, a county shall include on the face of a real property tax bill:

4 (i) the county real property tax rate and the constant yield tax rate
5 for the taxable year;

6 (ii) the amount, if any, by which the county real property tax rate
7 exceeds the constant yield tax rate; and

8 (iii) a designation that the property is either the owner's "principal
9 residence" or "not a principal residence".

10 (2) A county shall also mail with the real property tax bill the information
11 described below in substantially the following form:

12 "Constant Yield Tax Rate

13 1. In the last taxable year the county (or Baltimore City) real property tax
14 rate was....., and the certified assessment of the net assessable real property was
15 \$..... The assessment multiplied by the rate produced real property tax revenues
16 of \$.....

17 2. For this taxable year the certified assessment of the net assessable real
18 property is \$..... To produce the same real property tax revenues as last year
19 the real property tax rate would be..... This rate is called the constant yield tax
20 rate.

21 3. For this taxable year the actual real property tax rate is....., which is (the
22 same as) (different from) the constant yield tax rate. (If different, the rate is.....
23 (more) (less) than the constant yield tax rate and will produce in real property
24 tax revenues \$..... (more) (less) than would be produced by the constant yield tax
25 rate)."

26 **4. FOR THIS TAXABLE YEAR, THE DIFFERENCE IN THE REAL PROPERTY**
27 **TAXES OWED FOR THIS PROPERTY IS \$..... (MORE)(LESS) THAN WOULD BE**
28 **OWED IF THE CONSTANT YIELD TAX RATE WERE APPLIED.**

29 (j) A taxing authority that in good faith has made all reasonable efforts to comply
30 with the requirements of subsections (b) through (g) of this section and provides satisfactory
31 evidence to the Department that any lack of compliance with the requirements was for
32 reasons beyond the taxing authority's control:

33 (1) is deemed to have complied with the requirements; and

34 (2) may set a real property tax rate that exceeds the constant yield tax rate.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
36 1, 2022.