

Chapter 531

(Senate Bill 114)

AN ACT concerning

**Property Tax – ~~Constant Yield Tax Rate~~ Real Property Tax Assessment and Tax Rate Increases – Notice Requirements**

FOR the purpose of requiring certain notices relating to increases in property assessments; altering certain notice requirements relating to the intention of a county or municipal corporation to set a certain real property tax rate that exceeds the constant yield tax rate and requiring instead certain notice when a county or municipal corporation intends to increase its real property tax rate; and generally relating to the property tax constant yield tax rate county and municipal corporation property tax rates real property assessment and tax rate increases.

BY repealing and reenacting, with amendments,  
Article – Tax – Property  
Section 1-402(1)(i), 2-205, and 6-308  
Annotated Code of Maryland  
(2019 Replacement Volume and 2022 Supplement)

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

**Article – Tax – Property**

1-402.

Property owners in this State have the following rights:

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

1. the property owner’s right to appeal an assessment;  
2. that the determination of value is based upon information contained in the valuation records of the Department; [and]

3. the property owner’s right of access to the valuation records of the Department; and

4. THAT IF AN ASSESSMENT HAS INCREASED, THE TOTAL AMOUNT OF PROPERTY TAX OWED BY THE PROPERTY OWNER MAY ALSO INCREASE EVEN IF THE PROPERTY TAX RATE HAS NOT INCREASED; AND

2-205.

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

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

(2) the City Council of Baltimore City; and

(3) the governing body of a municipal corporation.

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

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

(ii) an estimate of the total assessment:

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

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

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

(c) (1) The Department shall notify each taxing authority of the constant yield tax rate that will provide the same property tax revenue that is provided by the real property tax rate that is in effect for the current taxable year.

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

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

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

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

1. when directed to make a change by an enactment of the General Assembly;

2. to correct an error in the calculation of the constant yield tax rate; or

3. to reflect a significant loss of taxable base, as determined by the Director.

[(d) The Director shall exempt a municipal corporation from the constant yield tax rate provisions of § 6–308 of this article if a difference of less than \$25,000 exists between:

(1) the property tax revenue that is provided by applying the municipal corporation real property tax rate for the preceding taxable year to the estimated assessment of all real property in the municipal corporation; and

(2) the property tax revenue that is provided by applying the constant yield tax rate for the next taxable year to the estimated assessment of all real property in the municipal corporation.

(e) (1) The Director shall report to the Attorney General any taxing authority that appears to have violated the requirements of § 6–308 of this article.

(2) The Attorney General shall investigate the report forwarded by the Director. If the Attorney General finds that a taxing authority violated the requirements of § 6–308 of this article, the Attorney General shall institute appropriate legal action to effect compliance with the requirements of § 6–308 of this article.

(3) If a court finds that a taxing authority violated § 6–308 of this article, the real property tax rate of that taxing authority shall be the constant yield tax rate.

(f) A taxing authority that does not exceed the constant yield tax rate shall notify the Department within the time set by the Director.]

6–308.

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

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

(2) the City Council of Baltimore City; and

(3) the governing body of a municipal corporation.

(b) (1) Unless the requirements of this section are met, a taxing authority may not set a county or municipal corporation real property tax rate that exceeds the ~~constant yield tax rate in any taxable year excluding revenue from real property appearing for the 1st time on the assessment roll~~ CURRENT TAXABLE YEAR'S REAL PROPERTY TAX RATE.

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

~~(i) on or before 15 days after the date of the advertisement required by this section a copy of the entire newspaper page that carried the meeting notice required by this section; or~~

~~(ii) the evidence that the Department requires of the mailing~~ EVIDENCE of the notices described in subsection (c) of this section.

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

(1) ~~placing an advertisement that satisfies the Department and meets the requirements of this section~~ A PUBLIC NOTICE in a newspaper of general circulation in the jurisdiction of the taxing authority; ~~or~~ AND

~~(2) mailing a notice that meets the requirements of this section to each property taxpayer who resides in the jurisdiction~~

(I) PUBLISHING A COPY OF THE NOTICE ON THE WEBSITE OF THE TAXING AUTHORITY; OR

(II) IF THE TAXING AUTHORITY DOES NOT HAVE A WEBSITE, POSTING A COPY OF THE NOTICE IN A PLACE THAT IS EASILY ACCESSIBLE TO THE PUBLIC.

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

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

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

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

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

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

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

~~(e)~~ **(1)** [The] **IF THE TAXING AUTHORITY INTENDS TO SET A REAL PROPERTY TAX RATE THAT EXCEEDS THE CURRENT TAXABLE YEAR’S REAL PROPERTY TAX RATE, THE notice or advertisement shall be in the following form:**

**“..... (NAME OF JURISDICTION) NOTICE OF A PROPOSED REAL PROPERTY TAX RATE INCREASE**

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

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

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

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

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

**FOR THE TAXABLE YEAR BEGINNING JULY 1,....., THE ..... (NAME OF TAXING AUTHORITY) OF ..... (NAME OF JURISDICTION) PROPOSES TO INCREASE REAL PROPERTY TAX RATES FROM \$..... PER \$100 OF ASSESSMENT TO \$..... PER \$100 OF ASSESSMENT.**

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

~~**(2) IF THE TAXING AUTHORITY INTENDS TO MAINTAIN THE CURRENT REAL PROPERTY TAX RATE, THE NOTICE OR ADVERTISEMENT SHALL BE IN THE FOLLOWING FORM:**~~

~~“..... (NAME OF JURISDICTION) NOTICE OF PROPOSED REAL PROPERTY TAX RATE THAT EXCEEDS THE CONSTANT YIELD TAX RATE~~

~~THE..... (NAME OF TAXING AUTHORITY) OF..... (NAME OF JURISDICTION) PROPOSES TO SET A REAL PROPERTY TAX RATE THAT MAINTAINS THE CURRENT TAX RATE BUT EXCEEDS THE CONSTANT YIELD TAX RATE.~~

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

~~2. IN ORDER TO FULLY OFFSET THE EFFECT OF INCREASING ASSESSMENTS, THE REAL PROPERTY TAX RATE SHOULD BE REDUCED TO \$....., THE CONSTANT YIELD TAX RATE.~~

~~3. THE..... (COUNTY, CITY, TOWN, ETC.) IS CONSIDERING NOT REDUCING ITS REAL PROPERTY TAX RATE ENOUGH TO FULLY OFFSET INCREASING ASSESSMENTS. THE..... (COUNTY, CITY, TOWN, ETC.) PROPOSES TO ADOPT A REAL PROPERTY TAX RATE THAT MAINTAINS THE CURRENT TAX RATE OF \$..... PER \$100 OF ASSESSMENT. THIS TAX RATE IS.....% HIGHER THAN THE CONSTANT YIELD TAX RATE AND WILL GENERATE \$..... IN ADDITIONAL PROPERTY TAX REVENUES.~~

~~A PUBLIC HEARING ON THE PROPOSAL TO MAINTAIN THE CURRENT REAL PROPERTY TAX RATE WILL BE HELD AT..... (TIME) ON..... (DATE) AT..... (LOCATION). THE HEARING IS OPEN TO THE PUBLIC, AND PUBLIC TESTIMONY IS ENCOURAGED. PERSONS WITH QUESTIONS REGARDING THIS HEARING MAY CALL..... (PHONE NUMBER) FOR FURTHER INFORMATION.”~~

~~(E)~~ (E) (1) The meeting on the proposed county or municipal corporation real property tax rate ~~[increase]~~ shall be held:

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

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

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

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

~~(g)~~ **(F)** After the meeting, the taxing authority may adopt by law ~~[an increase in the]~~ **A** county or municipal corporation real property tax rate ~~that exceeds the constant yield tax rate:~~

(1) on the day of the meeting; or

(2) on a later day, if the day, time, and location to consider the ~~[increase]~~ **TAX RATE** are announced at that meeting.

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

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

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

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

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

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

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

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

~~"Constant Yield Tax Rate~~

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

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

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

**(G) (1) ANNUALLY, A COUNTY SHALL INCLUDE ON THE FACE OF A REAL PROPERTY TAX BILL:**

**(I) THE COUNTY REAL PROPERTY TAX RATE FOR THE CURRENT TAXABLE YEAR AND THE COUNTY REAL PROPERTY TAX RATE FOR THE IMMEDIATELY PRECEDING TAXABLE YEAR; AND**

**(II) THE AMOUNT, IF ANY, BY WHICH THE COUNTY REAL PROPERTY TAX RATE FOR THE CURRENT TAXABLE YEAR EXCEEDS THE COUNTY REAL PROPERTY TAX RATE FOR THE IMMEDIATELY PRECEDING TAXABLE YEAR.**

**(2) IF THE TOTAL REAL PROPERTY TAX RATE FOR THE CURRENT TAXABLE YEAR, INCLUDING THE STATE AND COUNTY RATES AND ANY MUNICIPAL OR SPECIAL RATES, DOES NOT EXCEED THE TOTAL REAL PROPERTY TAX RATE FOR THE IMMEDIATELY PRECEDING TAXABLE YEAR, THE COUNTY SHALL INCLUDE WITH THE REAL PROPERTY TAX BILL A NOTICE THAT ANY INCREASE IN THE TOTAL AMOUNT OF PROPERTY TAX OWED, EXCLUSIVE OF ANY FEES INCLUDED ON THE PROPERTY TAX BILL, IN THE CURRENT TAXABLE YEAR COMPARED TO THE PREVIOUS TAXABLE YEAR IS DUE TO AN INCREASE IN THE TAXABLE ASSESSED VALUE OF THE PROPERTY.**

~~(G)~~ **(H)** A taxing authority that in good faith has made all reasonable efforts to comply with the requirements **OF SUBSECTIONS (B) THROUGH (F)** of ~~subsections (b) through (g)~~ of this section and provides satisfactory evidence to the Department that any lack of compliance with the requirements was for reasons beyond the taxing authority's control:

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

(2) may set a real property tax rate that exceeds the ~~constant yield~~ tax rate **FOR THE CURRENT TAXABLE YEAR.**

~~(H)~~ **(I) (1) THE DIRECTOR SHALL REPORT TO THE ATTORNEY GENERAL ANY TAXING AUTHORITY THAT APPEARS TO HAVE VIOLATED THE REQUIREMENTS OF THIS SECTION.**

**(2) (I) THE ATTORNEY GENERAL SHALL INVESTIGATE THE REPORT FORWARDED BY THE DIRECTOR.**

**(II) IF THE ATTORNEY GENERAL FINDS THAT A TAXING AUTHORITY VIOLATED THE REQUIREMENTS OF THIS SECTION, THE ATTORNEY GENERAL SHALL INSTITUTE APPROPRIATE LEGAL ACTION TO EFFECT COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION.**



**(3) IF A COURT FINDS THAT A TAXING AUTHORITY VIOLATED THIS SECTION, THE REAL PROPERTY TAX RATE OF THAT TAXING AUTHORITY SHALL BE THE SAME AS THE TAX RATE FOR THE CURRENT TAXABLE YEAR.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2023.

**Approved by the Governor, May 8, 2023.**