

SENATE BILL 567

Q1

EMERGENCY BILL

2lr1944
CF HB 1282

By: **Senators Elfreth, Hester, Corderman, Feldman, Guzzone, Jackson, King, and Zucker**

Introduced and read first time: February 1, 2022

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 4, 2022

CHAPTER _____

1 AN ACT concerning

2 **Property Tax – Agricultural Use Assessment – Improvements**

3 FOR the purpose of requiring that certain improvements on land that qualifies for
4 agricultural use assessment be assessed as agricultural property; ~~providing for the~~
5 ~~retroactive application of this Act; authorizing the payment of tax refunds under~~
6 ~~certain circumstances~~ requiring, on or before a certain date, the State Department
7 of Assessments and Taxation to reassess certain improvements to certain
8 agricultural land that were assessed as nonagricultural property during a certain
9 period of time; and generally relating to the agricultural use assessment.

10 BY repealing and reenacting, without amendments,

11 Article – Tax – Property

12 Section 8–209(a) through (d)

13 Annotated Code of Maryland

14 (2019 Replacement Volume and 2021 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article – Tax – Property

17 Section 8–209(e)

18 Annotated Code of Maryland

19 (2019 Replacement Volume and 2021 Supplement)

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

21 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Tax – Property

8–209.

(a) The General Assembly declares that it is in the general public interest of the State to foster and encourage farming activities to:

(1) maintain a readily available source of food and dairy products close to the metropolitan areas of the State;

(2) encourage the preservation of open space as an amenity necessary for human welfare and happiness; and

(3) prevent the forced conversion of open space land to more intensive uses because of the economic pressures caused by the assessment of the land at rates or levels incompatible with its practical use for farming.

(b) It is the intention of the General Assembly that the assessment of farmland:

(1) be maintained at levels compatible with the continued use of the land for farming; and

(2) not be affected adversely by neighboring land uses of a more intensive nature.

(c) Land that is actively used for farm or agricultural use shall be valued on the basis of that use and may not be valued as if subdivided.

(d) Land that is valued under subsection (c) of this section shall be assessed on the basis of its use value.

(e) (1) The Department shall establish in regulations criteria to determine if land that appears to be actively used for farm or agricultural purposes:

(i) is actually used for farm or agricultural purposes; and

(ii) qualifies for assessment under this section.

(2) The criteria shall include:

(i) the zoning of the land;

(ii) the present and past use of the land including land under the Soil Bank Program of the United States;

(iii) the productivity of the land, including timberlands and reforested lands; and

(iv) the gross income that is derived from the agricultural activity.

(3) (I) IN THIS PARAGRAPH:

1. “ACCESSORY USE ON AN ACTIVELY USED FARM” MEANS:

A. AGRICULTURAL ALCOHOL PRODUCTION, AS DEFINED IN § 4-214(A) OF THE LAND USE ARTICLE;

B. AGRITOURISM, AS DEFINED IN § 4-212 OF THE LAND USE ARTICLE;

C. EQUINE ACTIVITIES, AS DEFINED IN § 2-701 OF THE AGRICULTURE ARTICLE;

D. VALUE-ADDED PRODUCTS PROCESSING, WHICH INCLUDES THE MANUFACTURE, PACKAGING, STORAGE, PROMOTION, OR SALE OF A VALUE-ADDED AGRICULTURAL PRODUCT, INCLUDING A DAIRY PRODUCT, THAT IS DERIVED FROM INGREDIENTS PRODUCED ON THE AGRICULTURAL LAND OR ANY ASSOCIATED AGRICULTURAL LAND;

E. ROADSIDE STANDS; AND

F. PERMISSIBLE LOCAL ZONING USES OF AGRICULTURAL ACTIVITY; AND

2. “ACCESSORY USE ON AN ACTIVELY USED FARM” DOES NOT INCLUDE:

A. RENTING A FACILITY FOR USE AT A PRIVATE EVENT THAT HAS A SEATING CAPACITY OF GREATER THAN 200 INDIVIDUALS; OR

B. AN ACTIVITY INVOLVING AN IMPROVEMENT, IF THE LOCAL ZONING AUTHORITY OF THE COUNTY IN WHICH THE IMPROVEMENT IS LOCATED HAS NOT APPROVED THE ACTIVITY OR THE USE OF THE IMPROVEMENT ON LAND ZONED FOR AGRICULTURAL USE.

(II) AN IMPROVEMENT LOCATED ON LAND THAT QUALIFIES FOR AGRICULTURAL USE ASSESSMENT UNDER THIS SECTION SHALL BE ASSESSED AS AGRICULTURAL PROPERTY IF THE IMPROVEMENT IS USED FOR:

~~(I) THE MANUFACTURE, PACKAGING, STORAGE, PROMOTION, OR SALE OF A VALUE ADDED AGRICULTURAL PRODUCT, INCLUDING A DAIRY PRODUCT, THAT IS DERIVED FROM INGREDIENTS PRODUCED ON THE AGRICULTURAL LAND OR ANY ASSOCIATED AGRICULTURAL LAND;~~

~~(II) AGRICULTURAL ALCOHOL PRODUCTION, AS DEFINED IN § 4-214(A) OF THE LAND USE ARTICLE; OR~~

~~(III) AGRITOURISM, AS DEFINED IN § 4-212 OF THE LAND USE ARTICLE~~ AN ACCESSORY USE ON AN ACTIVELY USED FARM.

SECTION 2. AND BE IT FURTHER ENACTED, That:

~~(a) This Act shall be construed to apply retroactively and shall be applied to and interpreted to affect any assessment of an improvement described in § 8-209(e)(3) of the Tax – Property Article as enacted by Section 1 of this Act, that was made final on or after January 1, 2021.~~

~~(b) (1) A on or before July 1, 2022, the State Department of Assessments and Taxation shall reassess any person who paid excess property tax as a result of an assessment of an improvement described in § 8-209(e)(3) of the Tax – Property Article, as enacted by Section 1 of this Act, that was assessed as nonagricultural property on or after January 1, 2021, but before June 1, 2022, may apply for a refund of the excess tax paid in accordance with Title 14, Subtitle 9 of the Tax – Property Article.~~

~~(2) A tax refund under this section is not subject to the limitations of §§ 14-904(b) and 14-905(c) of the Tax – Property Article.~~

SECTION 3. AND BE IT FURTHER ENACTED, That this Act ~~shall take effect June 1, 2022~~ is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.