

HOUSE BILL 592

Q1
HB 1282/22 – W&M

EMERGENCY BILL

3lr2309
CF SB 418

By: **Delegate Watson**

Introduced and read first time: February 3, 2023

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of providing that value-added agricultural activities are a farm or
4 agricultural use of land for assessment purposes; creating a subclass of real property
5 consisting of improvements on an actively used farm that support value-added
6 agricultural activities; requiring improvements on an actively used farm that
7 support value-added agricultural activities to be assessed at the agricultural use
8 rate; requiring the State Department of Assessments and Taxation to reassess
9 improvements on an actively used farm that support value-added agricultural
10 activities that were assessed as nonagricultural property during a certain period of
11 time; and generally relating to the assessment of agricultural land and
12 improvements.

13 BY adding to
14 Article – Tax – Property
15 Section 1–101(rr) and 8–209.2
16 Annotated Code of Maryland
17 (2019 Replacement Volume and 2022 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Tax – Property
20 Section 8–101(b) and 8–209(c)
21 Annotated Code of Maryland
22 (2019 Replacement Volume and 2022 Supplement)

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

25 **Article – Tax – Property**

26 1–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

(IV) INCREASING THE VALUE OF AN AGRICULTURAL PRODUCT BY PROCESSING, MANUFACTURING, PACKAGING, STORING, SELLING, OR PROMOTING THE AGRICULTURAL PRODUCT, IF THE AGRICULTURAL PRODUCT IS DERIVED FROM INGREDIENTS PRODUCED ON THE FARM OR ANY ASSOCIATED FARMLAND;

(V) ROADSIDE STANDS;

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

(VII) ANY OTHER ACTIVITIES THAT THE SECRETARY OF AGRICULTURE DETERMINES BY REGULATION ARE VALUE-ADDED AGRICULTURAL ACTIVITIES.

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

(I) RENTING A FACILITY FOR PRIVATE EVENTS IF THE FACILITY HAS A SEATING CAPACITY OF 200 OR MORE INDIVIDUALS; OR

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

8-101.

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

(1) land that is actively devoted to farm or agricultural use, INCLUDING VALUE-ADDED AGRICULTURAL ACTIVITIES, assessed under § 8-209 of this title;

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

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

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

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

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

(7) operating real property of a railroad;

(8) operating real property of a public utility;

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

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

(11) IMPROVEMENTS ON AN ACTIVELY USED FARM THAT SUPPORT VALUE-ADDED AGRICULTURAL ACTIVITIES, ASSESSED UNDER § 8–209.2 OF THIS TITLE; AND

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

8–209.

(c) Land that is actively used for farm or agricultural use, **INCLUDING VALUE-ADDED AGRICULTURAL ACTIVITIES**, shall be valued on the basis of that use and may not be valued as if subdivided.

8–209.2.

IMPROVEMENTS ON AN ACTIVELY USED FARM THAT ARE USED TO SUPPORT VALUE-ADDED AGRICULTURAL ACTIVITIES SHALL BE ASSESSED AT THE AGRICULTURAL USE RATE.

SECTION 2. AND BE IT FURTHER ENACTED, That on or before July 1, 2023, the State Department of Assessments and Taxation shall reassess any improvement described in § 8–209.2 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 the enactment of this Act.

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