SENATE BILL 779

Q1, L6, C1 4lr1666
CF HB 826

By: **Senator Lewis Young**
Introduced and read first time: February 1, 2024
Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

Real Property – Taxation of Vacant Property, Certification of Company Representatives, and Short–Term Rentals

FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the governing body of a county to set a special property tax rate for certain vacant residential property; establishing a subclass of real property consisting of certain vacant residential property; requiring an entity that owns residential real property in the State to make a certain certification to the State Department of Assessments and Taxation; authorizing the Mayor and City Council of Baltimore City or the governing body of a county to adopt rules or regulations, by resolution or ordinance, relating to high–intensity use of short–term rentals located in certain areas; and generally relating to taxation and regulation of real property.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 6–302 and 8–101(b)
Annotated Code of Maryland
(2019 Replacement Volume and 2023 Supplement)

BY adding to
Article – Corporations and Associations
Section 1–407
Annotated Code of Maryland
(2014 Replacement Volume and 2023 Supplement)

BY adding to
Article – Local Government
Section 13–1002
Annotated Code of Maryland
(2013 Volume and 2023 Supplement)

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

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

Article – Tax – Property

6–302.

(a) Except as otherwise provided in this section and after complying with § 6–305 of this subtitle, in each year after the date of finality and before the following July 1, the Mayor and City Council of Baltimore City or the governing body of each county annually shall set the tax rate for the next taxable year on all assessments of property subject to that county's property tax.

(b) (1) Except as provided in subsection (c) of this section, §§ 6–305 and 6–306 of this subtitle and § 6–203 of this title:

(i) there shall be a single county property tax rate for all real property subject to county property tax except for operating real property described in § 8–109(c) of this article; and

(ii) the county tax rate applicable to personal property and the operating real property described in § 8–109(c) of this article shall be no more than 2.5 times the rate for real property.

(2) Paragraph (1) of this subsection does not affect a special rate prevailing in a taxing district or part of a county.

[(c) (1) Intangible personal property is subject to county property tax as otherwise provided in this title at a rate set annually, if:

(i) the intangible personal property has paid interest or dividends during the 12 months that precede the date of finality;

(ii) interest or dividends were withheld on the intangible personal property during the 12 months that precede the date of finality to avoid the tax under this subsection;

(iii) the intangible personal property consists of newly issued bonds, certificates of indebtedness, or evidences of debt on which interest is not in default; or

(iv) a stock dividend has been declared on the intangible personal property during the 12 months that precede the date of finality.

(2) The county tax rate for the intangible personal property is 30 cents for each $100 of assessment.**]**

(C) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY MAY SET A SPECIAL RATE FOR IMPROVED RESIDENTIAL PROPERTY CITED AS VACANT AND UNFIT FOR HABITATION OR OTHER AUTHORIZED USE ON A HOUSING OR BUILDING VIOLATION NOTICE.

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, 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) IMPROVED RESIDENTIAL PROPERTY CITED AS VACANT AND UNFIT FOR HABITATION OR OTHER AUTHORIZED USE ON A HOUSING OR BUILDING VIOLATION NOTICE; AND

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

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Corporations and Associations

1–407.

(A) IN THIS SECTION, "ENTITY" HAS THE MEANING STATED IN § 1–501 OF THIS TITLE.

(B) THIS SECTION APPLIES TO AN ENTITY THAT OWNS RESIDENTIAL REAL PROPERTY IN THE STATE.

(C) AN ENTITY ANNUALLY SHALL FILE WITH THE DEPARTMENT A CERTIFICATE:

(1) IN WRITING;

(2) AFFIRMED OR ACKNOWLEDGED UNDER OATH; AND

(3) DISCLOSING THE CORRECT CONTACT INFORMATION FOR A REPRESENTATIVE OF THE ENTITY WHO HAS THE AUTHORITY TO COMMUNICATE WITH THE PUBLIC ABOUT THE ENTITY.

(D) THE DEPARTMENT SHALL PROVIDE THE INFORMATION PROVIDED UNDER SUBSECTION (C) OF THIS SECTION ON REQUEST BY A UNIT OF LOCAL GOVERNMENT IN THE STATE.

Article – Local Government

13–1002.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "SHORT–TERM RENTAL" MEANS THE TEMPORARY USE OF A SHORT–TERM RENTAL UNIT TO PROVIDE ACCOMMODATION TO TRANSIENT GUESTS FOR LODGING PURPOSES IN EXCHANGE FOR CONSIDERATION.

(3) (I) "SHORT–TERM RENTAL UNIT" MEANS A RESIDENTIAL DWELLING UNIT OR A PORTION OF THE UNIT USED FOR SHORT–TERM RENTALS.

(II) "SHORT–TERM RENTAL UNIT" INCLUDES A SINGLE–FAMILY HOUSE OR DWELLING, A MULTIFAMILY HOUSE OR DWELLING, AN APARTMENT, A CONDOMINIUM, OR A COOPERATIVE.

(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY MAY ADOPT RULES OR REGULATIONS, BY RESOLUTION OR ORDINANCE, RELATING TO HIGH–INTENSITY USE OF SHORT–TERM

RENTALS IN AREAS LACKING AN ADEQUATE SUPPLY OF AFFORDABLE HOUSING, INCLUDING A RULE OR REGULATION THAT DEFINES A HIGH–INTENSITY USE OF SHORT–TERM RENTALS BASED ON:

(1) THE NUMBER OF NIGHTS BOOKED;

(2) INFRASTRUCTURE CONSTRAINTS IN THE AREA SURROUNDING THE SHORT–TERM RENTAL UNITS;

(3) WHETHER THE SHORT–TERM RENTAL UNITS ARE OWNER–OCCUPIED;

(4) CRITERIA TO IDENTIFY AREAS LACKING AN ADEQUATE SUPPLY OF AFFORDABLE HOUSING; AND

(5) ANY OTHER CRITERIA RELATING TO SHORT–TERM RENTALS.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be applicable to all taxable years beginning after June 30, 2024.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2024.