

# HOUSE BILL 1276

Q2, Q8

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CF 2lr3029

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By: **Delegate Cardin**

Introduced and read first time: February 14, 2012

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income and Property Tax Credits – Conservation Easements –**  
3 **NeighborSpace of Baltimore County, Inc.**

4 FOR the purpose of allowing a property tax credit against the State, county, and  
5 municipal corporation property taxes imposed on certain conservation property  
6 donated to NeighborSpace of Baltimore County, Inc. under certain  
7 circumstances; allowing a credit against the State income tax for conveying a  
8 certain easement to NeighborSpace of Baltimore County, Inc.; providing for the  
9 application of this Act; and generally relating to State, county, and municipal  
10 corporation property tax credits and State income tax credits allowed for the  
11 donation of certain conservation property.

12 BY repealing and reenacting, with amendments,  
13 Article – Tax – Property  
14 Section 9–107  
15 Annotated Code of Maryland  
16 (2007 Replacement Volume and 2011 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Tax – General  
19 Section 10–723  
20 Annotated Code of Maryland  
21 (2010 Replacement Volume and 2011 Supplement)

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

24 **Article – Tax – Property**

25 9–107.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this section, “conservation property” means land that is:

2 (1) unimproved;

3 (2) not used for commercial purposes; and

4 (3) subject to a perpetual conservation easement that is:

5 (i) 1. donated to the Department of Natural Resources or  
6 the Maryland Environmental Trust and identifies the Department of Natural  
7 Resources or the Maryland Environmental Trust as a grantee under Title 3, Subtitle 2  
8 of the Natural Resources Article; and

9 [(ii)] 2. accepted and approved by the Board of Public Works  
10 after June 30, 1986; OR

11 (II) 1. LOCATED WITHIN THE URBAN-RURAL  
12 DEMARCATION LINE IN BALTIMORE COUNTY;

13 2. PERTAINING TO A PROPERTY THAT IS FEWER  
14 THAN 25 ACRES;

15 3. DONATED TO NEIGHBORSPACE OF BALTIMORE  
16 COUNTY, INC.; AND

17 4. ACCEPTED AND APPROVED BY THE  
18 NEIGHBORSPACE OF BALTIMORE COUNTY, INC. BOARD OF DIRECTORS.

19 (b) There shall be a property tax credit granted under this section against  
20 the property tax imposed on conservation property.

21 (c) On or before October 1 of the taxable year for which property tax relief  
22 under this section is sought, an owner of conservation property may apply to the  
23 Department for the property tax credit. The application shall be made on the form that  
24 the Department provides.

25 (d) The property tax credit provided under this section shall be granted  
26 against 100% of all property tax that otherwise would be due.

27 (e) Conservation property shall be valued and assessed as provided in §  
28 8-209.1 of this article.

29 (f) A property tax credit granted under this section is effective for 15  
30 consecutive tax years beginning July 1 following the donation of the easement.

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

3 **Article – Tax – General**

4 10–723.

5 (a) (1) An individual may claim a credit against the State income tax as  
6 provided in this section for:

7 **(I)** an easement conveyed to the Maryland Environmental  
8 Trust or the Maryland Agricultural Land Preservation Foundation for the purpose of  
9 preserving open space, natural resources, agriculture, forest land, watersheds,  
10 significant ecosystems, viewsheds, or historic properties, if:

11 **[(i)] 1.** the easement is perpetual; and

12 **[(ii)] 2.** the easement is accepted and approved by the Board  
13 of Public Works; **OR**

14 **(II) AN EASEMENT CONVEYED TO NEIGHBORSPACE OF**  
15 **BALTIMORE COUNTY, INC., IF:**

16 **1. THE EASEMENT IS PERPETUAL;**

17 **2. THE EASEMENT IS WITHIN THE URBAN–RURAL**  
18 **DEMARCATIION LINE IN BALTIMORE COUNTY;**

19 **3. THE EASEMENT IS PERTAINING TO PROPERTY**  
20 **THAT IS FEWER THAN 25 ACRES; AND**

21 **4. THE EASEMENT IS ACCEPTED AND APPROVED BY**  
22 **THE NEIGHBORSPACE OF BALTIMORE COUNTY, INC. BOARD OF DIRECTORS.**

23 (2) Subject to subsection (c)(2) of this section, the credit under  
24 this section shall be allowed for the taxable year in which the donation:

25 **(I) TO THE MARYLAND ENVIRONMENTAL TRUST OR**  
26 **THE MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION** is  
27 approved by the Board of Public Works; **OR**

28 **(II) TO NEIGHBORSPACE OF BALTIMORE COUNTY,**  
29 **INC. IS ACCEPTED AND APPROVED BY ITS BOARD OF DIRECTORS.**

1 (b) (1) Except as otherwise provided in this section, the amount of the  
2 credit allowed under this section is the amount by which the fair market value of the  
3 property before the conveyance of the easement exceeds the fair market value of the  
4 property after the conveyance of the easement.

5 (2) The fair market value of the property before and after the  
6 conveyance of the easement shall be substantiated by an appraisal prepared by a  
7 certified real estate appraiser, as defined under § 16–101 of the Business Occupations  
8 and Professions Article.

9 (3) The amount of the credit shall be reduced by the amount of any  
10 payment received for the easement.

11 (c) (1) For any taxable year, the credit allowed under this section may not  
12 exceed the lesser of:

13 (i) the State income tax for that taxable year; or

14 (ii) \$5,000.

15 (2) If the credit otherwise allowable under subsection (b) of this  
16 section exceeds the limit under paragraph (1) of this subsection, an individual may  
17 apply the excess as a credit against the State income tax for succeeding taxable years  
18 until the earlier of:

19 (i) the full amount of the excess is used; or

20 (ii) the expiration of the 15th taxable year after the taxable year  
21 in which the donation was approved:

22 1. by the Board of Public Works; OR

23 2. FOR A DONATION TO NEIGHBORSPACE OF  
24 BALTIMORE COUNTY, INC., BY ITS BOARD OF DIRECTORS.

25 (3) For each taxable year, the amount carried forward to the taxable  
26 year under paragraph (2) of this subsection may not exceed the limit under paragraph  
27 (1) of this subsection.

28 (d) The credit under this section may not be claimed for a required  
29 dedication of open space for the purpose of fulfilling density requirements to obtain a  
30 subdivision or building permit.

31 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
32 be applicable to all taxable years beginning after June 30, 2012.

1           SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
2 be applicable to all taxable years beginning after December 31, 2011.

3           SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 June 1, 2012.