

By: Delegate Bonsack

Requested: August 14, 1995

Introduced and read first time: January 10, 1996

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Renters Property Tax Relief - Homes Shared With Relatives**

3 FOR the purpose of allowing a renter who shares a home with a relative but who
4 otherwise qualifies for certain property tax relief to receive the property tax relief
5 determined in a certain manner under certain circumstances; providing for the
6 application of this Act; and generally relating to certain property tax relief for
7 certain renters who share homes with relatives.

8 BY repealing and reenacting, without amendments,
9 Article - Tax - Property
10 Section 9-102(a)(4), (5), and (7) through (9), (h), and (i)
11 Annotated Code of Maryland
12 (1994 Replacement Volume and 1995 Supplement)

13 BY adding to
14 Article - Tax - Property
15 Section 9-102(k)
16 Annotated Code of Maryland
17 (1994 Replacement Volume and 1995 Supplement)

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

20 **Article - Tax - Property**

21 9-102.

22 (a) (4) "Combined income" means the combined gross income of all individuals
23 who actually reside in a dwelling except an individual who:

24 (i) is a dependent of the renter under § 152 of the Internal Revenue
25 Code; or

26 (ii) pays a reasonable amount for rent or room and board.

27 (5) (i) "Dwelling" means a rental unit that is the principal residence of a
28 renter.

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1 (ii) "Dwelling" includes a mobile home pad on which the principal
2 residence of the renter rests.

3 (7) "Net worth" means the sum of the current market value of all assets, less
4 any outstanding liability.

5 (8) "Occupancy rent" means the rent paid for the right to occupy a dwelling
6 less the reasonable value of the utilities or furnishings or both if the utilities or the use of
7 the furnishings or both are included in the rent.

8 (9) "Renter" means an individual, who during the calendar year for which
9 the property tax relief under this section is sought, actually occupies a dwelling in which
10 the individual has a leasehold interest and who:

11 (i) is at least 60 years old;

12 (ii) has been found permanently and totally disabled and has qualified
13 for benefits under:

14 1. the Social Security Act;

15 2. the Railroad Retirement Act;

16 3. any federal act for members of the United States armed
17 forces; or

18 4. any federal retirement system;

19 (iii) has been found permanently and totally disabled by county
20 health officer or the Baltimore City Commissioner of Health; or

21 (iv) is under the age of 60 years and:

22 1. has gross income below the poverty threshold that is
23 established by the U.S. Department of Commerce, Bureau of the Census in August of the
24 previous calendar year;

25 2. has 1 or more dependent children under 18 years old living
26 with the renter; and

27 3. does not receive federal or State housing subsidies or reside
28 in public housing.

29 (h) (1) The property tax relief that a renter may receive under this section is the
30 assumed property tax on real property less a percentage of the combined income of the
31 renter.

32 (2) The percentage is:

33 (i) 0% of the 1st \$4,000 of combined income;

34 (ii) 2.5% of the 2nd \$4,000 of combined income;

35 (iii) 5.5% of the 3rd \$4,000 of combined income;

36 (iv) 7.5% of the 4th \$4,000 of combined income; and

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1 (v) 9% of the combined income over \$16,000.

2 (i) The property tax relief under this section may not be:

3 (1) more than \$600;

4 (2) granted to any renter whose combined net worth exceeds \$200,000 as of
5 December 31 of the calendar year for which the property tax relief is sought;

6 (3) granted to any renter whose dwelling is exempt from property tax; and

7 (4) granted if the credit under this section is less than \$1 in any year.

8 (K) (1) A RENTER WHO SHARES A HOME WITH A RELATIVE BUT WHO
9 OTHERWISE QUALIFIES FOR THE PROPERTY TAX RELIEF UNDER THIS SECTION MAY
10 RECEIVE THE PROPERTY TAX RELIEF ONLY AS PROVIDED IN THIS SUBSECTION.

11 (2) A RENTER WHO SHARES A HOME WITH A RELATIVE IS NOT ELIGIBLE
12 FOR THE PROPERTY TAX RELIEF UNDER THIS SECTION UNLESS THE RENTER
13 ACTUALLY PAYS OCCUPANCY RENT TO THE RELATIVE UNDER A BONA FIDE,
14 WRITTEN LEASE.

15 (3) FOR PURPOSES OF DETERMINING THE AMOUNT OF THE PROPERTY
16 TAX RELIEF THAT A RENTER WHO SHARES A HOME WITH A RELATIVE MAY
17 RECEIVE UNDER THIS SECTION, THE COMBINED INCOME OF THE RENTER SHALL
18 INCLUDE THE COMBINED INCOME OF THE RELATIVE WITH WHOM THE RENTER
19 SHARES A HOME.

20 (4) FOR PURPOSES OF DETERMINING ELIGIBILITY UNDER SUBSECTION
21 (I) OF THIS SECTION FOR THE PROPERTY TAX RELIEF UNDER THIS SECTION, THE
22 COMBINED NET WORTH OF THE RENTER SHALL INCLUDE THE COMBINED NET
23 WORTH OF THE RELATIVE WITH WHOM THE RENTER SHARES A HOME.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 1996 and shall be applicable to property tax relief attributable to all calendar years
26 beginning after December 31, 1995 and paid after December 31, 1996.