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By: Prince George's County Delegation

Introduced and read first time: February 11, 2000 Assigned to: Ways and Means

Committee Report: Favorable House action: Adopted Read second time: March 17, 2000

CHAPTER_____

1 AN ACT concerning

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Prince George's County - Property and Income Taxes - Neighborhood Stabilization Credits PG 408-00

5 FOR the purpose of authorizing the governing body of Prince George's County to

6 grant, by law, a property tax credit against county property tax imposed on

7 certain owner-occupied, residential real property; allowing certain property

8 owners a credit against State income tax for certain property tax paid; providing

9 for the eligibility criteria for the credit; providing for the phase-out of the credit;

10 specifying the taxable year in which the tax credit is first applicable; requiring

11 the County Executive of Prince George's County to hold a public hearing prior to

12 final designation of eligible areas; providing for the method of and criteria for

13 selection of geographic areas eligible to receive the credit; providing for the

14 termination of the property tax credit on the sale of the property; providing for

the applicability of this Act; and generally relating to credits against certain

16 county property taxes and the State income tax for property tax paid for certain

17 residential real property.

18 BY repealing and reenacting, with amendments,

- 19 Article Tax General
- 20 Section 10-707(a) and (b)
- 21 Annotated Code of Maryland
- 22 (1997 Replacement Volume and 1999 Supplement)

23 BY adding to

24 Article - Tax - Property

1 Section 9-318(d)

2 Annotated Code of Maryland

3 (1994 Replacement Volume and 1999 Supplement)

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 5 MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - General

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7 10-707.

8 (a) An individual may claim a credit against the State income tax for a taxable 9 year in the amount specified in subsection (b) of this section for property tax paid in

10 that taxable year for owner-occupied, residential real property that is granted a

11 property tax credit under § 9-318(D) OR § 9-326 of the Tax - Property Article.

12 (b) The credit shall equal the amount of the property tax credit granted for 13 property tax paid under § 9-318(D) OR § 9-326 of the Tax - Property Article.

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Article - Tax - Property

15 9-318.

16 (D) (1) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY GRANT,
17 BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY PROPERTY TAX IMPOSED
18 ON OWNER-OCCUPIED, RESIDENTIAL REAL PROPERTY THAT IS PURCHASED FROM
19 JULY 1, 2000 THROUGH JUNE 30, 2002, SPECIFIC TO TWO GEOGRAPHIC AREAS OF
20 PRINCE GEORGE'S COUNTY THAT:

21 (I) CONTAIN UP TO 2,500 SINGLE-FAMILY DWELLINGS IN THE 22 AGGREGATE; AND

(II) ARE DESIGNATED BY THE COUNTY EXECUTIVE OF PRINCE
GEORGE'S COUNTY FOR PARTICIPATION IN A DEMONSTRATION PROJECT FOR
NEIGHBORHOOD PRESERVATION AND STABILIZATION.

26 (2) IN ORDER TO QUALIFY FOR THE CREDIT UNDER THIS SUBSECTION:

(I) FOR THE 12-MONTH PERIOD IMMEDIATELY PRIOR TO
PURCHASING THE PROPERTY, THE INDIVIDUAL'S PRINCIPAL RESIDENCE MAY NOT
HAVE BEEN LOCATED IN THE GEOGRAPHIC AREAS DESIGNATED UNDER THIS
SUBSECTION, UNLESS THE INDIVIDUAL WAS NOT AN OWNER OF THE PROPERTY
THAT WAS THE INDIVIDUAL'S PRINCIPAL RESIDENCE;

32 (II) THE DESIGNATED GEOGRAPHIC AREAS SHALL BE LOCATED
 33 WITHIN TWO OF THE FOLLOWING AREAS:

A PRIORITY FUNDING AREA, AS DEFINED IN § 5-7B-02 OF
 THE STATE FINANCE AND PROCUREMENT ARTICLE;

3 HOUSE BILL 1009
12.A REVITALIZATION TAX CREDIT DISTRICT, AS DEFINED IN2 § 10-235.02 ESTABLISHED UNDER THE PRINCE GEORGE'S COUNTY CODE; OR
3 3. AN ENTERPRISE ZONE, AS DEFINED IN ARTICLE 83A, § 4 5-401(F) OF THE CODE; AND
5 (III) THE RESIDENTIAL REAL PROPERTY MUST HAVE BEEN 6 PURCHASED IN CONFORMANCE WITH A RESOLUTION ADOPTED BY THE COUNTY 7 EXECUTIVE THAT IS APPROVED BY THE COUNTY COUNCIL.
8 (3) THE PROPERTY TAX CREDIT SHALL EQUAL:
9 (I) 40% OF THE COUNTY PROPERTY TAX FOR EACH OF THE FIRST 5 10 TAXABLE YEARS AFTER THE PURCHASE OF THE REAL PROPERTY;
11(II)35% OF THE COUNTY PROPERTY TAX FOR THE 6TH TAXABLE12YEAR AFTER THE PURCHASE OF THE REAL PROPERTY;
13(III)30% OF THE COUNTY PROPERTY TAX FOR THE 7TH TAXABLE14YEAR AFTER THE PURCHASE OF THE REAL PROPERTY;
15(IV)25% OF THE COUNTY PROPERTY TAX FOR THE 8TH TAXABLE16YEAR AFTER THE PURCHASE OF THE REAL PROPERTY;
17(V)20% OF THE COUNTY PROPERTY TAX FOR THE 9TH TAXABLE18YEAR AFTER THE PURCHASE OF THE REAL PROPERTY;
19(VI)15% OF THE COUNTY PROPERTY TAX FOR THE 10TH TAXABLE20YEAR AFTER THE PURCHASE OF THE REAL PROPERTY; AND
21(VII)0% OF THE COUNTY PROPERTY TAX FOR EACH TAXABLE YEAR22 THEREAFTER.
 (4) THE PROPERTY TAX CREDIT SHALL FIRST APPLY TO THE TAXABLE YEAR BEGINNING AFTER THE DATE OF THE PURCHASE OF THE ELIGIBLE REAL PROPERTY.
 (5) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY PROVIDE, 27 BY LAW, FOR ANY OTHER PROVISION NECESSARY TO CARRY OUT THE PROPERTY TAX 28 CREDIT UNDER THIS SUBSECTION.
 (6) (I) THE COUNTY EXECUTIVE OF PRINCE GEORGE'S COUNTY SHALL HOLD A PUBLIC HEARING PRIOR TO THE FINAL DESIGNATION OF THE GEOGRAPHIC AREAS UNDER PARAGRAPH (1) OF THIS SUBSECTION.
 (II) DESIGNATION OF GEOGRAPHIC AREAS SHALL BE MADE BY A RESOLUTION ADOPTED BY THE COUNTY EXECUTIVE AND APPROVED BY THE COUNTY COUNCIL.
35(7)THE PRINCE GEORGE'S COUNTY DEPARTMENT OF FINANCE SHALL36PROVIDE, ON AN ANNUAL BASIS TO THOSE INDIVIDUALS QUALIFYING FOR THE

HOUSE BILL 1009

PROPERTY TAX CREDIT UNDER THIS SUBSECTION, A STATEMENT CERTIFYING
 QUALIFICATION FOR THE PROPERTY TAX CREDIT AND THE AMOUNT OF THE
 PROPERTY TAX CREDIT BEING GRANTED. THE STATEMENT MAY BE PROVIDED ON OR
 WITH THE ANNUAL PROPERTY TAX BILL OR IN ANOTHER MANNER AS CHOSEN BY
 THE LOCAL GOVERNMENT.

6 (8) IN ORDER TO BE ELIGIBLE FOR A PROPERTY TAX CREDIT UNDER
7 THIS SUBSECTION, AN INDIVIDUAL SHALL APPLY FOR THE CREDIT AT LEAST 6
8 MONTHS AFTER THE TITLE TO THE RESIDENTIAL PROPERTY HAS BEEN
9 TRANSFERRED TO THE INDIVIDUAL.

10 (9) THE PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION 11 TERMINATES ON THE SALE OF THE PROPERTY.

12 SECTION 2. AND BE IT FURTHER ENACTED, That on or before October 1,

13 2002, in accordance with § 2-1246 of the State Government Article, the County

14 Executive of Prince George's County shall report to the General Assembly on the

15 impact of this Act on the neighborhoods that are targeted.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect

17 June 1, 2000, and shall be applicable to all taxable years for income tax purposes

18 beginning after December 31, 2000.

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