

HOUSE BILL 436

Q1

(7lr1836)

ENROLLED BILL

— *Ways and Means / Budget and Taxation* —

Introduced by **Delegates Kaiser, Aumann, Barnes, Beidle, V. Clagett, Conway, Frush, Gaines, Gilchrist, Healey, Hubbard, Lawton, Love, Mathias, Montgomery, Niemann, Pena-Melnyk, Riley, Ross, Simmons, Sophocleus, Waldstreicher, and Walker Walker, Bartlett, Barve, Cardin, Doory, Elmore, George, Hixson, Howard, Ivey, Jennings, N. King, Krebs, McKee, Murphy, Olszewski, Rice, Stukes, and F. Turner**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Homestead Tax Credit - Eligibility Verification - Application**

3 FOR the purpose of requiring homeowners to file certain applications to the State
4 Department of Assessments and Taxation to qualify for the homestead property
5 tax credit; providing that the homestead property tax credit may not be granted
6 unless an application is filed as required within certain time periods under

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 certain circumstances; providing that the Department shall provide the option
 2 for an application to be submitted on the Department's website; requiring the
 3 Comptroller to cooperate with the Department in adopting a certain procedure,
 4 provide certain information to the Department, and assist the Department in a
 5 postaudit of each application; requiring the counties to reimburse the
 6 Department for the administration of the homestead property tax credit
 7 application process; providing for a certain reporting requirement to certain
 8 committees of the General Assembly; and generally relating to the homestead
 9 property tax credit.

10 BY repealing and reenacting, with amendments,
 11 Article – Tax – Property
 12 Section 9–105(d)(1)
 13 Annotated Code of Maryland
 14 (2001 Replacement Volume and 2006 Supplement)

15 BY adding to
 16 Article – Tax – Property
 17 Section 9–105(d)(6) ~~and (l), (l), and (m)~~
 18 Annotated Code of Maryland
 19 (2001 Replacement Volume and 2006 Supplement)

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

22 Article – Tax – Property

23 9–105.

24 (d) (1) [The] **SUBJECT TO THE PROVISIONS OF PARAGRAPH (6) OF**
 25 **THIS SUBSECTION, THE** Department shall authorize and the State, a county, or a
 26 municipal corporation shall grant a property tax credit under this section for a taxable
 27 year unless during the previous taxable year:

28 (i) the dwelling was transferred for consideration to new
 29 ownership;

30 (ii) the value of the dwelling was increased due to a change in
 31 the zoning classification of the dwelling initiated or requested by the homeowner or
 32 anyone having an interest in the property;

33 (iii) the use of the dwelling was changed substantially; or

1 (iv) the assessment of the dwelling was clearly erroneous due to
2 an error in calculation or measurement of improvements on the real property.

3 (6) (I) TO QUALIFY FOR THE CREDIT UNDER THIS SECTION, A
4 HOMEOWNER SHALL SUBMIT AN APPLICATION FOR THE CREDIT TO THE
5 DEPARTMENT AS PROVIDED IN THIS PARAGRAPH.

6 (II) THE APPLICATION SHALL:

7 1. BE MADE ON THE FORM THAT THE DEPARTMENT
8 PROVIDES;

9 2. PROVIDE THE INFORMATION REQUIRED BY THE
10 FORM; AND

11 3. INCLUDE A STATEMENT BY THE HOMEOWNER
12 UNDER OATH THAT THE FACTS STATED IN THE APPLICATION ARE TRUE,
13 CORRECT, AND COMPLETE.

14 (III) THE DEPARTMENT MAY NOT AUTHORIZE AND THE
15 STATE, COUNTY, AND MUNICIPAL CORPORATION MAY NOT GRANT THE
16 PROPERTY TAX CREDIT UNDER THIS SECTION FOR A DWELLING UNLESS AN
17 APPLICATION IS FILED WITH THE DEPARTMENT AS REQUIRED UNDER THIS
18 PARAGRAPH:

19 1. ~~ON OR BEFORE SEPTEMBER 1~~ WITHIN ~~90~~ 180
20 DAYS FOLLOWING THE DATE THE DWELLING IS TRANSFERRED FOR
21 CONSIDERATION TO NEW OWNERSHIP, FOR A DWELLING THAT IS TRANSFERRED
22 FOR CONSIDERATION TO NEW OWNERSHIP AFTER DECEMBER 31, 2007; OR

23 2. ON OR BEFORE DECEMBER 31, 2012, FOR A
24 DWELLING THAT WAS LAST TRANSFERRED FOR CONSIDERATION TO NEW
25 OWNERSHIP ON OR BEFORE DECEMBER 31, 2007.

26 (IV) THE DEPARTMENT SHALL PROVIDE A HOMEOWNER THE
27 OPTION TO SUBMIT THE APPLICATION REQUIRED UNDER THIS PARAGRAPH
28 ELECTRONICALLY ON THE DEPARTMENT'S WEBSITE.

29 (L) THE COMPTROLLER SHALL:

1 (1) COOPERATE WITH THE DEPARTMENT IN ADOPTING A
2 PROCEDURE TO AUDIT THE APPLICATION FORMS SUBMITTED UNDER THIS
3 SECTION;

4 (2) NOTWITHSTANDING § 13-202 OF THE TAX - GENERAL
5 ARTICLE, PROVIDE ADDITIONAL INFORMATION TO THE DEPARTMENT; AND

6 (3) ASSIST THE DEPARTMENT IN A POSTAUDIT OF EACH
7 APPLICATION.

8 (M) (1) THE COUNTIES SHALL REIMBURSE THE DEPARTMENT FOR
9 THE ADMINISTRATION OF THE APPLICATION PROCESS UNDER SUBSECTION
10 (D)(6) OF THIS SECTION.

11 (2) FOR EACH FISCAL YEAR, THE REIMBURSEMENT REQUIRED
12 UNDER THIS SUBSECTION SHALL BE PRORATED BASED ON THE RATIO OF THE
13 NUMBER OF IMPROVED PROPERTIES THAT WOULD BE ELIGIBLE FOR THE CREDIT
14 UNDER THIS SECTION LOCATED IN THE COUNTY COMPARED TO THE TOTAL
15 NUMBER OF IMPROVED RESIDENTIAL PROPERTIES ELIGIBLE FOR THE CREDIT
16 UNDER THIS SECTION STATEWIDE AS OF JULY 1 OF THAT FISCAL YEAR.

17 (3) THE DEPARTMENT SHALL BILL EACH COUNTY ACCORDING TO
18 THE FORMULA UNDER PARAGRAPH (2) OF THIS SUBSECTION.

19 SECTION 2. AND BE IT FURTHER ENACTED, That the State Department of
20 Assessments and Taxation, in consultation with the Comptroller of the Treasury, shall
21 initiate two studies of the implementation of the homestead property tax credit
22 eligibility application process as provided under this Act. The studies shall provide
23 information on:

24 (1) the application required by the Department;

25 (2) the education and outreach methods used by the Department to
26 notify affected taxpayers about the required application;

27 (3) the aggregate number of applications received from taxpayers by
28 county and the methods by which applications have been submitted;

29 (4) the methods used by the Department to collect, maintain, and
30 analyze data collected from applications;

1 (5) the application audit and postaudit process adopted by the
2 Department; and

3 (6) any other pertinent issues related to the application process.

4 The first study shall be submitted, subject to § 2-1246 of the State Government
5 Article, to the Senate Budget and Taxation Committee and the House Committee on
6 Ways and Means on or before January 1, 2009, so that the committees may review the
7 report during the 2009 legislative session. The second study shall be submitted,
8 subject to § 2-1246 of the State Government Article, to the Senate Budget and
9 Taxation Committee and the House Committee on Ways and Means on or before
10 January 1, 2010, so that the committees may review the report during the 2010
11 legislative session.

12 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
13 effect October 1, 2007.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.