

## Chapter 141

(House Bill 923)

AN ACT concerning

### Property Tax Credit – Neighborhood Conservation Act of 2012

FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to grant, by law, a property tax credit against the county or municipal corporation property tax imposed on certain owner-occupied, residential real property in certain designated areas; providing for eligibility criteria for the credit; specifying the years in which properties must be purchased to be eligible for the credit; requiring the Department of Housing and Community Development to adopt regulations that establish application procedures for the designation of certain neighborhood conservation areas; requiring the governing body to designate certain geographic areas as neighborhood conservation areas for purposes of the credit; requiring the disclosure of certain annual information to individuals who qualify for the property tax credit; requiring a county or municipal corporation to provide certain reports to the General Assembly on or before certain dates; providing for the application of this Act; and generally relating to property tax credits for certain owner-occupied, residential real property in certain designated areas.

BY adding to

Article – Tax – Property

Section 9–255

Annotated Code of Maryland

(2007 Replacement Volume and 2011 Supplement)

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

#### Article – Tax – Property

**9–255.**

(A) **(1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON OWNER-OCCUPIED, RESIDENTIAL REAL PROPERTY THAT IS PURCHASED FROM JULY 1, 2012, THROUGH JUNE 30, 2018, AND IS LOCATED IN AN AREA DESIGNATED BY THE GOVERNING BODY AS A NEIGHBORHOOD CONSERVATION AREA ESTABLISHED OR**

RENEWED BY APPLICATION TO THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT BASED ON THE CRITERIA SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION.

(2) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL ADOPT REGULATIONS THAT ESTABLISH APPLICATION PROCEDURES FOR THE DESIGNATION OF A NEIGHBORHOOD CONSERVATION AREA BASED ON:

(I) THE CONCENTRATION OF FORECLOSURE ACTIVITY;

(II) THE CONCENTRATION OF BLIGHTED OR VACANT PROPERTIES; AND

(III) THE LOCATION WITHIN A PRIORITY FUNDING AREA, WITH PREFERENCE GIVEN TO SUSTAINABLE COMMUNITIES UNDER § 6-201 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE.

(B) IN ORDER TO QUALIFY FOR THE CREDIT UNDER THIS SECTION:

(1) FOR THE 12-MONTH PERIOD IMMEDIATELY PRIOR TO PURCHASING THE PROPERTY, THE INDIVIDUAL'S PRINCIPAL RESIDENCE MAY NOT HAVE BEEN LOCATED IN A NEIGHBORHOOD CONSERVATION AREA DESIGNATED UNDER THIS SECTION UNLESS THE INDIVIDUAL WAS NOT AN OWNER OF THE PROPERTY THAT WAS THE INDIVIDUAL'S PRINCIPAL RESIDENCE; AND

(2) THE RESIDENTIAL REAL PROPERTY MUST HAVE BEEN PURCHASED IN CONFORMANCE WITH THE ELIGIBILITY REQUIREMENTS FOR THE CREDIT UNDER THIS SECTION AS ESTABLISHED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION.

(C) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION SHALL PROVIDE, BY LAW, FOR:

(1) THE AMOUNT OF THE PROPERTY TAX CREDIT AUTHORIZED UNDER THIS SECTION FOR EACH TAXABLE YEAR AFTER THE PURCHASE OF THE RESIDENTIAL REAL PROPERTY;

**(2) THE DESIGNATION OF CERTAIN GEOGRAPHIC AREAS AS NEIGHBORHOOD CONSERVATION AREAS FOR PURPOSES OF THE TAX CREDIT AUTHORIZED UNDER THIS SECTION;**

**(3) ANY ADDITIONAL LIMITATIONS ON ELIGIBILITY FOR THE CREDIT UNDER THIS SECTION; AND**

**(4) ANY OTHER PROVISION NECESSARY TO IMPLEMENT THE CREDIT UNDER THIS SECTION.**

**(D) (1) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION SHALL PROVIDE, ON AN ANNUAL BASIS TO THOSE INDIVIDUALS QUALIFYING FOR THE PROPERTY TAX CREDIT UNDER THIS SECTION, A STATEMENT CERTIFYING QUALIFICATION FOR THE TAX CREDIT AND THE AMOUNT OF THE TAX CREDIT BEING GRANTED.**

**(2) THE STATEMENT MAY BE PROVIDED ON OR WITH THE ANNUAL PROPERTY TAX BILL OR IN ANOTHER MANNER AS CHOSEN BY THE LOCAL GOVERNMENT.**

**(E) ON OR BEFORE JANUARY 1, OF THE CALENDAR YEAR FOLLOWING THE YEAR IN WHICH THE NEIGHBORHOOD CONSERVATION TAX CREDIT IS INITIATED, AND EACH JANUARY 1 THEREAFTER, A COUNTY OR MUNICIPAL CORPORATION THAT GRANTS A TAX CREDIT UNDER THIS SECTION SHALL SUBMIT A REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE THAT DESCRIBES:**

**(1) THE TAX CREDIT PROGRAM;**

**(2) THE DESIGNATED NEIGHBORHOOD CONSERVATION AREAS;**

**(3) THE NUMBER OF RESIDENTIAL PROPERTIES WITHIN NEIGHBORHOOD CONSERVATION AREAS THAT QUALIFY FOR THE TAX CREDIT UNDER THIS SECTION; AND**

**(4) THE ECONOMIC IMPACT OF THE TAX CREDITS GRANTED UNDER THIS SECTION ON THE NEIGHBORHOOD CONSERVATION AREAS.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2012, and shall be applicable to all taxable years beginning after June 30, 2012.

**Approved by the Governor, April 10, 2012.**