

**SB0961/309031/1**

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 961  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “allowing” in line 3 down through “credit” in line 10 and substitute “requiring the Mayor and City Council of Baltimore City to grant, by law, a certain property tax credit against the property tax imposed on a dwelling in Baltimore City that is newly purchased by a homeowner who has received the homestead property tax credit for a dwelling in Baltimore City under certain circumstances; requiring a homeowner to submit a certain application to the Director of the Department of Finance of Baltimore City to receive the credit; requiring that the credit be applied in a certain manner; authorizing the Mayor and City Council of Baltimore City to increase the total amount of the credit under certain circumstances; providing that a certain homeowner residing within a certain census tract when filing a certain application shall remain eligible for the increased credit amount under certain circumstances; authorizing the Director to establish certain criteria; prohibiting a homeowner from receiving the credit or a portion of the credit if the homeowner’s property tax liability would be reduced in a certain manner; prohibiting a recipient of the credit from receiving certain other property tax credits; prohibiting the credit from being transferred in a certain manner; providing that a homeowner may receive a homestead property tax credit calculated in a certain manner after termination of the credit; requiring Baltimore City to allocate funds of no more than a certain amount to pay for the cost and administration of the credit; requiring the Director to review and approve applications for the credit in a certain manner; requiring the Department of Finance of Baltimore City to evaluate the efficacy of the credit and submit a report on or before a certain date; providing for the termination of this Act; defining a certain term; and generally relating to a property tax credit in Baltimore City”; strike in their entirety lines 11 through 20, inclusive; and in line 23, strike “9-105(d)(7)” and substitute “9-304(g)”.

(Over)

AMENDMENT NO. 2

On pages 2 through 5, strike in their entirety the lines beginning with line 2 on page 2 through line 5 on page 5, inclusive, and substitute:

“9-304.

(G) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “DIRECTOR” MEANS THE DIRECTOR OF THE DEPARTMENT OF FINANCE OF BALTIMORE CITY.

(III) “DWELLING” HAS THE MEANING INDICATED IN § 9-105 OF THIS TITLE.

(IV) “HOMEOWNER” HAS THE MEANING INDICATED IN § 9-105 OF THIS TITLE.

(2) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY SHALL GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SUBSECTION AGAINST THE COUNTY PROPERTY TAX IMPOSED ON A DWELLING LOCATED IN BALTIMORE CITY THAT IS NEWLY PURCHASED BY A HOMEOWNER WHO HAS RECEIVED A CREDIT UNDER § 9-105 OF THIS TITLE FOR THE PRECEDING 5 YEARS FOR A DWELLING LOCATED IN BALTIMORE CITY.

(3) (I) TO QUALIFY FOR THE CREDIT UNDER THIS SUBSECTION, A HOMEOWNER SHALL SUBMIT AN APPLICATION TO THE DIRECTOR AS PROVIDED IN THIS PARAGRAPH.

(II) THE APPLICATION SHALL BE:

1. MADE ON THE FORM THAT THE DIRECTOR REQUIRES; AND
2. ACCORDING TO PROCEDURES ESTABLISHED BY THE DIRECTOR.

(4) (i) THE CREDIT UNDER THIS SUBSECTION IS A FIXED AMOUNT OF \$4,000 TO BE APPLIED TO THE HOMEOWNER'S PROPERTY TAX BILL OVER A PERIOD OF 5 YEARS AS FOLLOWS:

1. \$1,000 IN THE FIRST YEAR;
2. \$900 IN THE SECOND YEAR;
3. \$800 IN THE THIRD YEAR;
4. \$700 IN THE FOURTH YEAR; AND
5. \$600 IN THE FIFTH YEAR.

(ii) 1. THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY INCREASE THE TOTAL AMOUNT PROVIDED UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH BY UP TO AN ADDITIONAL \$1,000 FOR A HOMEOWNER WHO PURCHASES A DWELLING LOCATED WITHIN A LOW OR MODERATE INCOME CENSUS TRACT, AS DESIGNATED FROM TIME TO TIME BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND IN WHICH AT LEAST 51% OF THE PERSONS LIVING IN THE TRACT ARE IN HOUSEHOLDS EARNING 80% OR LESS OF THE AREA MEDIAN INCOME.

(Over)

2. A HOMEOWNER RESIDING WITHIN A LOW OR MODERATE INCOME CENSUS TRACT AS DESCRIBED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH WHEN THE HOMEOWNER SUBMITS AN APPLICATION UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL REMAIN ELIGIBLE FOR THE INCREASED CREDIT UNDER THIS SUBPARAGRAPH EVEN IF THE CENSUS TRACT CHANGES FOLLOWING THE DATE OF APPLICATION AND THE HOMEOWNER WOULD OTHERWISE BE INELIGIBLE FOR THE INCREASED CREDIT DURING THE 5-YEAR PERIOD.

3. THE DIRECTOR MAY ESTABLISH ADDITIONAL CRITERIA NECESSARY TO CARRY OUT THIS SUBPARAGRAPH.

(5) A HOMEOWNER MAY NOT RECEIVE THE CREDIT UNDER THIS SUBSECTION, OR A PORTION OF THE CREDIT, IF, IN ANY YEAR, THE APPLICATION OF THE CREDIT, OR A PORTION OF THE CREDIT, WOULD REDUCE THE HOMEOWNER'S PROPERTY TAX LIABILITY BELOW THE HOMEOWNER'S PROPERTY TAX LIABILITY FOR THE DWELLING PREVIOUSLY OCCUPIED BY THE HOMEOWNER.

(6) IN ANY YEAR IN WHICH A HOMEOWNER RECEIVES A CREDIT UNDER THIS SUBSECTION, THE HOMEOWNER MAY NOT RECEIVE:

(I) THE LOCAL PORTION OF THE CREDIT UNDER § 9-105 OF THIS TITLE; OR

(II) ANY OTHER PROPERTY TAX CREDIT PROVIDED BY BALTIMORE CITY.

(7) THE CREDIT UNDER THIS SUBSECTION MAY NOT BE TRANSFERRED TO:

(I) A PERSON WHO PURCHASES A DWELLING FROM A HOMEOWNER WHO RECEIVED THE CREDIT UNDER THIS SUBSECTION; OR

(II) A DWELLING THAT IS SUBSEQUENTLY PURCHASED BY A HOMEOWNER WHO RECEIVED THE CREDIT UNDER THIS SUBSECTION.

(8) AFTER THE TERMINATION OF THE CREDIT UNDER THIS SUBSECTION, A HOMEOWNER IS ENTITLED TO THE LOCAL PORTION OF THE CREDIT UNDER § 9-105 OF THIS TITLE, WHICH SHALL BE CALCULATED:

(I) AS IF THE HOMEOWNER HAD RECEIVED THE CREDIT UNDER § 9-105 OF THIS TITLE BEGINNING IN THE SECOND YEAR THE HOMEOWNER OCCUPIED THE DWELLING; AND

(II) BASED ON THE FULL ASSESSED VALUE OF THE DWELLING IN EACH YEAR THE HOMEOWNER RECEIVED THE CREDIT UNDER THIS SUBSECTION.

(9) (I) BALTIMORE CITY SHALL ALLOCATE NO MORE THAN \$3,000,000 FOR EACH YEAR THAT APPLICATIONS FOR THE CREDIT UNDER THIS SUBSECTION ARE ACCEPTED TO PAY:

1. THE TOTAL COST OF THE CREDITS FOR THE APPROVED APPLICANTS DURING THE YEAR FOR THE ENTIRE PERIOD DURING WHICH THE APPLICANTS WILL RECEIVE THE CREDIT; AND

**2. THE COST OF ADMINISTERING THE CREDIT BY THE DEPARTMENT OF FINANCE OF BALTIMORE CITY.**

**(II) THE DIRECTOR SHALL REVIEW AND APPROVE APPLICATIONS FOR THE CREDIT UNDER THIS SUBSECTION BASED ON:**

- 1. THE DATE THE APPLICATION WAS RECEIVED; AND**
- 2. THE AVAILABILITY OF THE FUNDS ALLOCATED FOR THE CREDIT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

**(10) THE DEPARTMENT OF FINANCE OF BALTIMORE CITY MAY ADOPT REGULATIONS AS NECESSARY TO CARRY OUT THIS SUBSECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Finance of Baltimore City shall evaluate the efficacy of the credit established by this Act and submit a report of its findings and recommendations on or before December 31, 2018, and December 31, 2020, to the Mayor and City Council of Baltimore City and, in accordance with § 2-1246 of the State Government Article, the Baltimore City House Delegation, the Baltimore City Senators, the Senate Budget and Taxation Committee, and the House Committee on Ways and Means.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014. It shall remain effective for a period of 10 years and 1 month and, at the end of June 30, 2024, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.