

HOUSE BILL 227

Q1
HB 965/13 – W&M

4r1751
CF SB 572

By: **Delegate Dumais**

Introduced and read first time: January 17, 2014

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 4, 2014

CHAPTER _____

1 AN ACT concerning

2 **Homestead Tax Credit – Eligibility – Definition of Legal Interest**

3 FOR the purpose of altering the definition of “legal interest” to include an interest in a
4 dwelling as a settlor, grantor, or beneficiary of a trust under certain
5 circumstances so as to include certain settlors, grantors, or beneficiaries of
6 trusts as eligible to apply for the homestead property tax credit; ~~providing for~~
7 ~~the application of this Act~~, and generally relating to the homestead property tax
8 credit.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – Property
11 Section 9–105(a)(1), (5), and (7) and (b)
12 Annotated Code of Maryland
13 (2012 Replacement Volume and 2013 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – Property
16 Section 9–105(a)(8)
17 Annotated Code of Maryland
18 (2012 Replacement Volume and 2013 Supplement)

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

21 **Article – Tax – Property**

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.



1 9–105.

2 (a) (1) In this section the following words have the meanings indicated.

3 (5) (i) “Dwelling” means:

4 1. a house that is:

5 A. used as the principal residence of the homeowner; and

6 B. actually occupied or expected to be actually occupied
7 by the homeowner for more than 6 months of a 12–month period beginning with the
8 date of finality for the taxable year for which the property tax credit under this section
9 is sought; and

10 2. the lot or curtilage on which the house is erected.

11 (ii) “Dwelling” includes:

12 1. a condominium unit that is occupied by an individual
13 who has a legal interest in the condominium;

14 2. an apartment in a cooperative apartment corporation
15 that is occupied by an individual who has a legal interest in the apartment; and

16 3. a part of real property used other than primarily for
17 residential purposes, if the real property is used as a principal residence by an
18 individual who has a legal interest in the real property.

19 (7) “Homeowner” means an individual who has a legal interest in a
20 dwelling or who is an active member of an agricultural ownership entity that has a
21 legal interest in a dwelling.

22 (8) “Legal interest” means an interest in a dwelling:

23 (i) as a sole owner;

24 (ii) as a joint tenant;

25 (iii) as a tenant in common;

26 (iv) as a tenant by the entireties;

27 (v) through membership in a cooperative;

1 (vi) under a land installment contract, as defined in § 10–101 of
2 the Real Property Article; [or]

3 (vii) as a holder of a life estate; OR

4 (VIII) AS A SETTLOR, GRANTOR, OR BENEFICIARY OF A TRUST
5 IF:

6 1. THE SETTLOR, GRANTOR, OR BENEFICIARY OF
7 THE TRUST DOES NOT PAY RENT OR OTHER REMUNERATION TO RESIDE IN THE
8 DWELLING; AND

9 2. LEGAL TITLE TO THE DWELLING IS HELD IN THE
10 NAME OF THE TRUST OR IN THE NAMES OF THE TRUSTEES FOR THE TRUST.

11 (b) (1) If there is an increase in property assessment as calculated under
12 this section, the State and the governing body of each county and of each municipal
13 corporation shall grant a property tax credit under this section against the State,
14 county, and municipal corporation property tax imposed on real property by the State,
15 county, or municipal corporation.

16 (2) A property tax credit granted under this section shall be applicable
17 to any State, county, or municipal corporation property tax and any property tax
18 imposed for a bicounty commission.

19 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be~~
20 ~~construed to apply retroactively and shall be applied to all taxable years beginning~~
21 ~~after June 30, 2007.~~

22 SECTION ~~2.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take
23 effect June 1, 2014.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.