

## Chapter 624

(House Bill 936)

AN ACT concerning

### **Baltimore City – Homestead Assessment Cap Increase and Property Tax Rate Reduction – Study**

FOR the purpose of requiring the Department of Legislative Services to complete a study on the feasibility and effects of increasing Baltimore City's homestead property tax credit assessment cap and using the increased revenue to offset a reduction in the City's property tax rate; requiring the study to make certain estimates; requiring the study to consider certain matters; requiring the Department to submit a report of its findings and any recommendations to certain persons on or before a certain date; providing for the termination of this Act; and generally relating to a study of Baltimore City's homestead property tax credit assessment cap and property tax rate.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) The Department of Legislative Services shall complete a study on the feasibility and effects of increasing Baltimore City's homestead property tax credit cap on assessment increases under § 9–105(e) of the Tax – Property Article and using the increased revenue to offset a reduction in Baltimore City's property tax rate.

(b) The study shall estimate:

(1) the amount of reduction in Baltimore City's property tax rate that could be offset by various increases in the homestead property tax credit assessment cap; and

(2) the net impact on homeowners of increasing Baltimore City's homestead property tax credit assessment cap while decreasing the property tax rate.

(c) The study shall consider:

(1) the significance of the homestead property tax credit assessment cap as a revenue stabilization mechanism and the effect raising the cap would have on revenue stabilization; and

(2) revenue stabilization mechanisms that could be utilized in lieu of the homestead property tax credit assessment cap, such as a requirement that a

portion of the increased revenue attributable to an increase in the cap be allocated to a revenue stabilization fund.

(d) During the study, the Department of Assessments and Taxation and the Baltimore City Department of Finance shall:

(1) provide promptly any information that the Department of Legislative Services requests; and

(2) otherwise cooperate fully with the Department of Legislative Services.

~~(e)~~ (e) The Department of Legislative Services shall submit a report of its findings and any recommendations on or before December 31, 2014 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 and the Baltimore City Senators.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014. It shall remain effective for a period of 1 year and 1 month and, at the end of June 30, 2015, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

**Approved by the Governor, May 15, 2014.**