

SENATE BILL 375

Q1

5lr2084
CF 5lr1636

By: **Senators Salling, Jennings, and Muse**
Introduced and read first time: February 6, 2015
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Homestead Property Tax Credit – Application Requirement – Repeal**

3 FOR the purpose of repealing a requirement that a homeowner submit a certain application
4 to the Department of Assessments and Taxation to receive the homestead property
5 tax credit; repealing certain deadlines and procedures for filing the application for
6 the homestead property tax credit; repealing a requirement that the Comptroller
7 assist the Department with certain matters relating to applications for the
8 homestead property tax credit; repealing a requirement that the counties reimburse
9 the Department for the administration of the application process for the homestead
10 property tax credit; and generally relating to repealing the application process for
11 the homestead property tax credit.

12 BY repealing and reenacting, with amendments,
13 Article – Tax – Property
14 Section 9–105(d)(1) and (n)
15 Annotated Code of Maryland
16 (2012 Replacement Volume and 2014 Supplement)

17 BY repealing
18 Article – Tax – Property
19 Section 9–105(d)(6), (l), and (m)
20 Annotated Code of Maryland
21 (2012 Replacement Volume and 2014 Supplement)

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

24 **Article – Tax – Property**

25 9–105.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 (d) (1) [Subject to the provisions of paragraph (6) of this subsection, the] **THE**
2 Department shall authorize and the State, a county, or a municipal corporation shall grant
3 a property tax credit under this section for a taxable year unless during the previous
4 taxable year:

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

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

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

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

12 [(6) (i) To qualify for the credit under this section, a homeowner shall
13 submit an application for the credit to the Department as provided in this paragraph.

14 (ii) The application shall:

15 1. be made on the form that the Department provides;

16 2. provide the information required by the form;

17 3. include a statement by the homeowner under oath that the
18 facts stated in the application are true, correct, and complete; and

19 4. except as provided in subparagraph (iii) of this paragraph,
20 be filed on or before the May 1 preceding the first taxable year for which the property tax
21 credit under this section is to be allowed.

22 (iii) For a dwelling that was last transferred for consideration to new
23 ownership on or before December 31, 2007, an application shall be filed with the
24 Department on or before December 30, 2013, or the Department may not authorize and the
25 State, county, and municipal corporation may not grant the property tax credit under this
26 section:

27 1. for the taxable year beginning July 1, 2014; and

28 2. for a taxable year beginning after June 30, 2015, unless an
29 application is filed as required under subparagraphs (i) and (ii) of this paragraph.

30 (iv) If a dwelling previously received a credit under this section and
31 failed to qualify for 1 taxable year because of a failure to file the application required under
32 this paragraph, the Department:

1 1. shall grant the credit for the dwelling for the next
2 following taxable year on the timely filing of the application by the same homeowner who
3 previously received the credit; and

4 2. shall calculate the prior year's taxable assessment for the
5 dwelling as if the credit had not been lost for the 1 intervening taxable year.

6 (v) The Department shall provide a homeowner the option to submit
7 the application required under this paragraph electronically on the Department's Web
8 site.]

9 [(l) The Comptroller shall:

10 (1) cooperate with the Department in adopting a procedure to audit the
11 application forms submitted under this section;

12 (2) notwithstanding § 13-202 of the Tax – General Article, provide
13 additional information to the Department; and

14 (3) assist the Department in a postaudit of each application.]

15 [(m) (1) The counties shall reimburse the Department for the administration of
16 the application process under subsection (d)(6) of this section.

17 (2) For each fiscal year, the reimbursement required under this subsection
18 shall be prorated based on the ratio of the number of improved properties that would be
19 eligible for the credit under this section located in the county compared to the total number
20 of improved residential properties eligible for the credit under this section statewide as of
21 July 1 of that fiscal year.

22 (3) The Department shall bill each county according to the formula under
23 paragraph (2) of this subsection.]

24 [(n)](L) (1) A person who has been granted a property tax credit under this
25 section and is subsequently found to not qualify for the credit by the Department shall be
26 assessed all State, county, and municipal corporation property tax otherwise due for each
27 taxable year the person did not qualify to receive the credit.

28 (2) (i) If a person is found by the Department to have willfully
29 misrepresented facts regarding qualification for the property tax credit under this section,
30 the person shall be assessed a penalty equal to 25% of the amount of the property tax credit
31 received during each taxable year for which the person did not qualify.

32 (ii) The amount of the penalty shall be separately itemized on the
33 person's property tax bill and constitutes a lien on the property until:

- 1 1. payment of the penalty in full; or
- 2 2. if the property is sold in an action to foreclose on a
- 3 mortgage or deed of trust:
- 4 A. a copy of the court order ratifying the foreclosure sale is
- 5 provided to the supervisor of assessments for the county in which the residential property
- 6 is located; or
- 7 B. an instrument of writing transferring the property is
- 8 recorded in the land records of the county in which the property is located.
- 9 (3) If a lien is released under paragraph (2)(ii)2 of this subsection, any
- 10 unpaid penalty amount shall remain the personal liability of the person against whom the
- 11 penalty was assessed.
- 12 (4) A person may appeal a determination made under this subsection in
- 13 accordance with the policies and procedures set forth in § 14-506 of this article.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July

15 1, 2015.