

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 226 (Delegate Long)
Ways and Means

Homestead Property Tax Credit Program - Notice of Eligibility - Lead Registry
and Code Compliance

This bill requires the State Department of Assessments and Taxation (SDAT) to include information regarding the lead registry and code compliance with specified notifications about the homestead property tax credit. The required information must state that if the property is used as residential rental property (1) the homeowner must register any property constructed before 1978 with the Maryland Department of the Environment (MDE) in accordance with applicable lead in housing standards and (2) the property must comply with any State or local building and housing codes.

Fiscal Summary

State Effect: None. The bill’s notification requirements can be handled by SDAT with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: SDAT must notify homeowners of the possibility of receiving the homestead property tax credit.

Background: Title 6, Subtitle 8, of the Environment Article was enacted to reduce the incidence of lead poisoning while maintaining affordable rental housing. Currently, compliance is mandatory for rental dwelling units built prior to 1978, regardless of

renovation history. Owners must register all rental dwelling units within 30 days of acquisition, and must renew their registration by December 31 annually. Owners must also provide all tenants with two brochures regarding tenants' rights and protecting individuals from lead poisoning, and a copy of the current inspection certification upon inception of the tenancy and every two years thereafter. Affected properties must also pass an inspection for lead contaminated dust, performed by an MDE accredited inspection contractor, prior to every change in occupancy. Finally, the owner of an affected property must comply with a modified risk reduction standard upon certain triggering events.

State Fiscal Effect: SDAT sends the required homestead property tax credit notice with each annual reassessment notice that is sent to all property owners. The department will send the notice required by the bill to all property owners, including rental property owners, with each annual reassessment notice. The cost for including the new notice can be handled with existing budgeted resources.

Additional Information

Prior Introductions: HB 1055 of 2019 received a hearing in the House Ways and Means Committee, but no further action was taken.

Designated Cross File: None.

Information Source(s): State Department of Assessments and Taxation; Department of Legislative Services

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mr/hlb

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