

HOUSE BILL 1398

Q2

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By: **Delegates Attar, Amprey, Boyce, C. Branch, Bridges, Clippinger, Conaway, R. Lewis, Lierman, McIntosh, Prettyman, Rosenberg, Smith, and Wells**
Introduced and read first time: February 17, 2022
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Property Taxes – Baltimore City Residential Retention Credit – Termination of**
3 **Sunset**

4 FOR the purpose of terminating the sunset of a certain property tax credit against the
5 property tax imposed on a certain dwelling in Baltimore City that is newly purchased
6 by a homeowner who has received the homestead property tax credit for a dwelling
7 in Baltimore City; and generally relating to a property tax credit in Baltimore City.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – Property
10 Section 9–304(g)
11 Annotated Code of Maryland
12 (2019 Replacement Volume and 2021 Supplement)

13 BY repealing and reenacting, with amendments,
14 Chapter 623 of the Acts of the General Assembly of 2014
15 Section 3

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

Article – Tax – Property

19 9–304.

20 (g) (1) (i) In this subsection the following words have the meanings
21 indicated.

22 (ii) “Director” means the Director of the Department of Finance of
23 Baltimore City.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iii) "Dwelling" has the meaning indicated in § 9–105 of this title.

2 (iv) "Homeowner" has the meaning indicated in § 9–105 of this title.

3 (2) The Mayor and City Council of Baltimore City shall grant, by law, a
4 property tax credit under this subsection against the county property tax imposed on a
5 dwelling located in Baltimore City that is newly purchased by a homeowner who has
6 received a credit under § 9–105 of this title for the preceding 5 years for a dwelling located
7 in Baltimore City.

8 (3) (i) To qualify for the credit under this subsection, a homeowner
9 shall submit an application to the Director as provided in this paragraph.

10 (ii) The application shall be:

- 11 1. made on the form that the Director requires; and
- 12 2. according to procedures established by the Director.

13 (4) (i) The credit under this subsection is a fixed amount of \$4,000 to be
14 applied to the homeowner's property tax bill over a period of 5 years as follows:

- 15 1. \$1,000 in the first year;
- 16 2. \$900 in the second year;
- 17 3. \$800 in the third year;
- 18 4. \$700 in the fourth year; and
- 19 5. \$600 in the fifth year.

20 (ii) 1. The Mayor and City Council of Baltimore City may
21 increase the total amount provided under subparagraph (i) of this paragraph by up to an
22 additional \$1,000 for a homeowner who purchases a dwelling located within a low or
23 moderate income census tract, as designated from time to time by the U.S. Department of
24 Housing and Urban Development and in which at least 51% of the persons living in the
25 tract are in households earning 80% or less of the area median income.

26 2. A homeowner residing within a low or moderate income
27 census tract as described under subparagraph 1 of this subparagraph when the
28 homeowner submits an application under paragraph (3) of this subsection shall remain
29 eligible for the increased credit under this subparagraph even if the census tract changes
30 following the date of application and the homeowner would otherwise be ineligible for the
31 increased credit during the 5–year period.

1 3. The Director may establish additional criteria necessary
2 to carry out this subparagraph.

3 (5) A homeowner may not receive the credit under this subsection, or a
4 portion of the credit, if, in any year, the application of the credit, or a portion of the credit,
5 would reduce the homeowner's property tax liability below the homeowner's property tax
6 liability for the dwelling previously occupied by the homeowner.

7 (6) In any year in which a homeowner receives a credit under this
8 subsection, the homeowner may not receive:

9 (i) the local portion of the credit under § 9–105 of this title; or

10 (ii) except for the property tax credit provided under § 9–221 of this
11 title, any other property tax credit provided by Baltimore City.

12 (7) The credit under this subsection may not be transferred to:

13 (i) a person who purchases a dwelling from a homeowner who
14 received the credit under this subsection; or

15 (ii) a dwelling that is subsequently purchased by a homeowner who
16 received the credit under this subsection.

17 (8) After the termination of the credit under this subsection, a homeowner
18 is entitled to the local portion of the credit under § 9–105 of this title, which shall be
19 calculated:

20 (i) as if the homeowner had received the credit under § 9–105 of this
21 title beginning in the second year the homeowner occupied the dwelling; and

22 (ii) based on the full assessed value of the dwelling in each year the
23 homeowner received the credit under this subsection.

24 (9) (i) Baltimore City shall allocate no more than \$3,000,000 for each
25 year that applications for the credit under this subsection are accepted to pay:

26 1. the total cost of the credits for the approved applicants
27 during the year for the entire period during which the applicants will receive the credit;
28 and

29 2. the cost of administering the credit by the Department of
30 Finance of Baltimore City.

31 (ii) The Director shall review and approve applications for the credit
32 under this subsection based on:

- 1 1. the date the application was received; and
- 2 2. the availability of the funds allocated for the credit under
- 3 subparagraph (i) of this paragraph.

4 (10) The Department of Finance of Baltimore City may adopt regulations as
5 necessary to carry out this subsection.

6 **Chapter 623 of the Acts of 2014**

7 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
8 1, 2014. [It shall remain effective for a period of 10 years and 1 month and, at the end of
9 June 30, 2024, with no further action required by the General Assembly, this Act shall be
10 abrogated and of no further force and effect.]

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
12 1, 2022.