

HOUSE BILL 1398

Q2

2lr3097

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

Re-referred to: Ways and Means, February 27, 2022

Committee Report: Favorable

House action: Adopted

Read second time: March 13, 2022

CHAPTER _____

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:

18 **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 9–304.

2 (g) (1) (i) In this subsection the following words have the meanings
3 indicated.

4 (ii) “Director” means the Director of the Department of Finance of
5 Baltimore City.

6 (iii) “Dwelling” has the meaning indicated in § 9–105 of this title.

7 (iv) “Homeowner” has the meaning indicated in § 9–105 of this title.

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

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

15 (ii) The application shall be:

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

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

- 20 1. \$1,000 in the first year;
21 2. \$900 in the second year;
22 3. \$800 in the third year;
23 4. \$700 in the fourth year; and
24 5. \$600 in the fifth year.

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

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

7 3. The Director may establish additional criteria necessary
8 to carry out this subparagraph.

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

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

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

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

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

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

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

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

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

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

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

32 1. the total cost of the credits for the approved applicants
33 during the year for the entire period during which the applicants will receive the credit;
34 and

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

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

5 1. the date the application was received; and

6 2. the availability of the funds allocated for the credit under
7 subparagraph (i) of this paragraph.

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

10 **Chapter 623 of the Acts of 2014**

11 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
12 1, 2014. [It shall remain effective for a period of 10 years and 1 month and, at the end of
13 June 30, 2024, with no further action required by the General Assembly, this Act shall be
14 abrogated and of no further force and effect.]

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
16 1, 2022.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.