

HOUSE BILL 404

Q1

3lr1537

By: ~~Delegates Feldmark, Ebersole, Hill, D. Jones, Lehman, Ruth, Shetty, and Smith~~ Smith, Henson, Palakovich Carr, Vogel, Wells, and Wilkins

Introduced and read first time: January 27, 2023

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2023

CHAPTER _____

1 AN ACT concerning

2 ~~Property Tax – Statewide Optional Credit for Homeowners Who Have Suffered~~
3 ~~a Hardship~~ Local Homeowners’ Credit Supplement – Limitation on Combined
4 Gross Income

5 FOR the purpose of ~~authorizing the Mayor and City Council of Baltimore City or the~~
6 ~~governing body of a county or municipal corporation to grant, by law, a property tax~~
7 ~~credit against the county or municipal corporation property tax imposed on a~~
8 ~~dwelling that is owned by a homeowner whose combined gross income exceeds a~~
9 ~~certain amount if the homeowner demonstrates certain criteria, including that the~~
10 ~~homeowner suffered a certain hardship; repealing as redundant a provision of law~~
11 ~~authorizing the same property tax credit in Baltimore County; and generally relating~~
12 ~~to a statewide optional property tax credit for homeowners who have suffered a~~
13 ~~hardship~~ authorizing counties and municipal corporations to alter a certain
14 limitation on the combined gross income of a homeowner for purposes of a local
15 supplement to the homeowners’ property tax credit; and generally relating to local
16 supplements to the homeowners’ property tax credit.

17 ~~BY repealing~~
18 ~~Article – Tax – Property~~
19 ~~Section 9 – 305(h)~~
20 ~~Annotated Code of Maryland~~
21 ~~(2019 Replacement Volume and 2022 Supplement)~~

22 ~~BY renumbering~~

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 ~~Article – Tax – Property~~
 2 ~~Section 9–305(i)~~
 3 ~~to be Section 9–305(h)~~
 4 ~~Annotated Code of Maryland~~
 5 ~~(2019 Replacement Volume and 2022 Supplement)~~

6 ~~BY adding to~~
 7 ~~Article – Tax – Property~~
 8 ~~Section 9–268~~
 9 ~~Annotated Code of Maryland~~
 10 ~~(2019 Replacement Volume and 2022 Supplement)~~

11 BY repealing and reenacting, with amendments,
 12 Article – Tax – Property
 13 Section 9–215 and 9–215.1
 14 Annotated Code of Maryland
 15 (2019 Replacement Volume and 2022 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 17 ~~That Section(s) 9–305(h) of Article – Tax – Property of the Annotated Code of Maryland be~~
 18 ~~repealed.~~

19 ~~SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 9–305(i) of Article~~
 20 ~~– Tax – Property of the Annotated Code of Maryland be renumbered to be Section(s)~~
 21 ~~9–305(h).~~

22 ~~SECTION 3. AND BE IT FURTHER ENACTED,~~ That the Laws of Maryland read
 23 as follows:

24 **Article – Tax – Property**

25 ~~**9–268.**~~

26 ~~**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**~~
 27 ~~**INDICATED.**~~

28 ~~**(2) “COMBINED INCOME” HAS THE MEANING STATED IN § 9–104 OF**~~
 29 ~~**THIS TITLE.**~~

30 ~~**(3) “DWELLING” HAS THE MEANING STATED IN § 9–104 OF THIS**~~
 31 ~~**TITLE.**~~

32 ~~**(4) “HARDSHIP” MEANS:**~~

33 ~~**(i) AN ILLNESS OR ACCIDENT RELATED INJURY OF A**~~
 34 ~~**HOMEOWNER OR A MEMBER OF THE HOMEOWNER’S IMMEDIATE FAMILY; OR**~~

1 ~~(H) A PROPERTY CASUALTY EVENT AT THE HOMEOWNER'S~~
2 ~~DWELLING.~~

3 ~~(5) "HOMEOWNER" HAS THE MEANING STATED IN § 9-104 OF THIS~~
4 ~~TITLE.~~

5 ~~(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE~~
6 ~~GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW,~~
7 ~~A PROPERTY TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION~~
8 ~~PROPERTY TAX IMPOSED ON A DWELLING THAT IS OWNED BY A HOMEOWNER WHOSE~~
9 ~~COMBINED INCOME EXCEEDS \$60,000 IF THE HOMEOWNER DEMONSTRATES THAT:~~

10 ~~(1) THE HOMEOWNER WAS DENIED THE PROPERTY TAX CREDIT~~
11 ~~UNDER § 9-104 OF THIS TITLE FOR HAVING A COMBINED INCOME THAT EXCEEDS~~
12 ~~\$60,000;~~

13 ~~(2) THE HOMEOWNER SUFFERED A HARDSHIP IN THE CALENDAR~~
14 ~~YEAR THAT PRECEDES THE YEAR IN WHICH THE HOMEOWNER APPLIES FOR THE~~
15 ~~CREDIT;~~

16 ~~(3) THE HOMEOWNER PAID OR INCURRED EXPENSES RELATING TO~~
17 ~~THE HARDSHIP THAT RESULTED IN SIGNIFICANT FINANCIAL DISTRESS FOR THE~~
18 ~~HOMEOWNER; AND~~

19 ~~(4) THE HOMEOWNER'S COMBINED INCOME WOULD NOT HAVE~~
20 ~~EXCEEDED \$60,000 IF NOT FOR EXPENSES RELATED TO THE HARDSHIP.~~

21 ~~(C) THE HOMEOWNER SHALL INCLUDE, IN THE FORM REQUIRED BY THE~~
22 ~~MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF THE~~
23 ~~COUNTY OR MUNICIPAL CORPORATION, AN ITEMIZED LIST OF ALL SOURCES OF~~
24 ~~INCOME AND EXPENSES OF THE HOMEOWNER, INCLUDING EXPENSES RELATED TO~~
25 ~~THE HARDSHIP.~~

26 ~~(D) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE~~
27 ~~GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION MAY ESTABLISH,~~
28 ~~BY LAW:~~

29 ~~(1) THE AMOUNT AND DURATION OF THE TAX CREDIT;~~

30 ~~(2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT;~~

31 ~~(3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND~~
32 ~~UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND~~

1 ~~(4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX~~
2 ~~CREDIT.~~

3 9-215.

4 (a) The Mayor and City Council of Baltimore City or the governing body of a
5 county may grant, by law, a local supplement to the Homeowners Property Tax Credit
6 Program provided under § 9-104 of this title.

7 (b) The county or Baltimore City may not obtain reimbursement under § 9-104(s)
8 of this title for the amount of the local supplement authorized under this section.

9 (c) The county shall notify the Department of the enactment of the local
10 supplement and any change in the local supplement in accordance with any guidelines
11 specified by the Department.

12 (d) (1) The Department is responsible for the administrative duties that relate
13 to the application and determination of eligibility for a property tax credit under this
14 section.

15 (2) The county shall reimburse the Department for the reasonable cost of
16 administering the Tax Credit Program under this section.

17 (e) (1) Except as provided in paragraph (2) of this subsection, the local
18 supplement authorized in accordance with subsection (a) of this section shall be subject to
19 the provisions of the State Homeowners Property Tax Credit Program provided under §
20 9-104 of this title.

21 (2) The Mayor and City Council of Baltimore City or the governing body of
22 a county:

23 (i) may alter, by law, the following provisions for purposes of a local
24 supplement granted under this section:

25 1. the limitation on the assessed value of a dwelling taken
26 into account in determining total real property tax under § 9-104(a)(13) of this title;

27 2. the percentages and combined income levels specified
28 under § 9-104(g) of this title; and

29 3. the limitation on combined net worth **OR COMBINED**
30 **GROSS INCOME** of the homeowner under § 9-104(j) of this title; and

31 (ii) may provide, by law, for limitations on eligibility for a local
32 supplement granted under this section in addition to the requirements for eligibility under
33 § 9-104 of this title.

1 (3) The additional eligibility criteria provided under paragraph (2)(ii) of
2 this subsection may include:

3 (i) criteria limiting eligibility for a local supplement granted under
4 this section to homeowners:

5 1. who have reached a certain age;

6 2. who have resided in their dwellings for more than a
7 certain number of years; or

8 3. whose assessments have increased more than a certain
9 percentage over a certain period of time;

10 (ii) any combination of the criteria specified in item (i) of this
11 paragraph; and

12 (iii) any additional criteria for eligibility that the Mayor and City
13 Council of Baltimore City or the governing body of a county determine to be necessary or
14 appropriate.

15 9-215.1.

16 (a) The governing body of a municipal corporation may grant, by law, a local
17 supplement to the Homeowners Property Tax Credit Program provided under § 9-104 of
18 this title.

19 (b) The municipal corporation may not obtain reimbursement under § 9-104(s) of
20 this title for the amount of the local supplement authorized under this section.

21 (c) The municipal corporation shall notify the Department of the enactment of
22 the local supplement and any change in the local supplement in accordance with any
23 guidelines specified by the Department.

24 (d) The municipal corporation is responsible for the administrative duties that
25 relate to the application, determination of eligibility, and payment of a property tax credit
26 under this section.

27 (e) The amount of the local supplement authorized in accordance with subsection
28 (a) of this section shall not exceed the net property tax liability due after providing for any
29 State property tax credit authorized under § 9-104 of this title and any local supplement
30 to the homeowners property tax credit authorized under § 9-215 of this subtitle.

31 (f) (1) Except as provided in paragraph (2) of this subsection, the local
32 supplement authorized in accordance with subsection (a) of this section shall be subject to

1 the provisions of the State Homeowners Property Tax Credit Program provided under §
2 9–104 of this title.

3 (2) The governing body of a municipal corporation:

4 (i) may alter, by law, the following provisions for purposes of a local
5 supplement granted under this section:

6 1. the limitation on the assessed value of a dwelling taken
7 into account in determining total real property tax under § 9–104(a)(13) of this title;

8 2. the percentages and combined income levels specified
9 under § 9–104(h) of this title; and

10 3. the limitation on combined net worth **OR COMBINED**
11 GROSS INCOME of the homeowner under [~~§ 9–104(k)~~] **§ 9–104(J)** of this title; and

12 (ii) may provide, by law, for limitations on eligibility for a local
13 supplement granted under this section in addition to the requirements for eligibility under
14 § 9–104 of this title.

15 (3) The additional eligibility criteria provided under paragraph (2)(ii) of
16 this subsection may include:

17 (i) criteria limiting eligibility for a local supplement granted under
18 this section to homeowners:

19 1. who have reached a certain age;

20 2. who have resided in their dwelling for more than a certain
21 number of years; or

22 3. whose assessments have increased more than a certain
23 percentage over a certain period of time;

24 (ii) any combination of the criteria specified in item (i) of this
25 paragraph; and

26 (iii) any additional criteria for eligibility that the governing body of a
27 municipal corporation determines to be necessary or appropriate.

28 SECTION ~~4~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 June 1, 2023, and shall be applicable to all taxable years beginning after June 30, 2023.