

**SENATE BILL 359**  
**EMERGENCY BILL**

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Q2

1998 Regular Session  
8lr0489

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By: **Senator Della**

Introduced and read first time: February 5, 1998  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 23, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Baltimore City - Property Tax Credit - Newly Constructed Dwellings**

3 FOR the purpose of ~~altering the definition of a "newly constructed dwelling" for the~~  
4 ~~purpose of determining~~ setting forth certain criteria for the eligibility for a  
5 certain property tax credit for newly constructed dwellings in Baltimore City;  
6 providing for the amount of the property tax credit; making this Act an  
7 emergency measure; and relating generally to a certain property tax credit for  
8 newly constructed dwellings in Baltimore City.

9 BY repealing and reenacting, with amendments,  
10 Article - Tax - Property  
11 Section 9-304(d)  
12 Annotated Code of Maryland  
13 (1994 Replacement Volume and 1997 Supplement)

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

16 **Article - Tax - Property**

17 9-304.

18 (d) (1) (i) In this subsection the following words have the meanings  
19 indicated.

20 (ii) 1. "Newly constructed dwelling" means residential real  
21 property that has not been previously occupied since its construction and for which

1 the building permit for construction was issued on or after ~~{October 1, 1994}~~ ~~JULY 1,~~  
2 ~~1994.~~

3 2. "Newly constructed dwelling" includes a "vacant dwelling"  
4 as defined in subsection (c)(1) of this section that has been rehabilitated in compliance  
5 with applicable local laws and regulations and has not been previously occupied since  
6 the rehabilitation.

7 (iii) "First purchased dwelling" means owner-occupied residential  
8 real property that is the first residence owned or purchased in Baltimore City by the  
9 applicant for a property tax credit granted under this subsection.

10 (iv) "Homeowner" has the meaning stated in § 9-105(a)(3) of this  
11 title.

12 (2) The Mayor and City Council of Baltimore City may grant, by law, a  
13 property tax credit under this subsection against the county property tax imposed on  
14 newly constructed dwellings or first purchased dwellings that are owned by  
15 qualifying owners.

16 (3) ~~A~~ Except as provided in paragraph (4) of this subsection, a property  
17 tax credit granted under this subsection may not exceed the amount of county  
18 property tax imposed on the real property, less the amount of any other credit  
19 applicable in that year, multiplied by:

20 (i) 50% for the first taxable year in which the property qualifies for  
21 the tax credit;

22 (ii) 40% for the second taxable year in which the property qualifies  
23 for the tax credit;

24 (iii) 30% for the third taxable year in which the property qualifies  
25 for the tax credit;

26 (iv) 20% for the fourth taxable year in which the property qualifies  
27 for the tax credit;

28 (v) 10% for the fifth taxable year in which the property qualifies for  
29 the tax credit; and

30 (vi) 0% for each taxable year thereafter.

31 (4) (I) THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY GRANT A  
32 PROPERTY TAX CREDIT FOR ANY NEWLY CONSTRUCTED DWELLING FOR WHICH A  
33 BUILDING PERMIT WAS ISSUED ON OR AFTER JULY 1, 1994 BUT BEFORE OCTOBER 1,  
34 1994, PROVIDED THAT AN APPLICATION FOR A PROPERTY TAX CREDIT IS SUBMITTED  
35 ON OR BEFORE AUGUST 31, 1998.

36 (II) SUBJECT TO THE LIMITATIONS IMPOSED UNDER  
37 SUBPARAGRAPH (I) OF THIS PARAGRAPH, A PROPERTY TAX CREDIT GRANTED UNDER

1 THIS SUBSECTION MAY NOT EXCEED THE AMOUNT OF COUNTY PROPERTY TAX  
 2 IMPOSED ON THE REAL PROPERTY, LESS THE AMOUNT OF ANY OTHER CREDIT  
 3 APPLICABLE IN THAT YEAR, MULTIPLIED BY:

4    1.       30% FOR THE TAXABLE YEAR BEGINNING AFTER JUNE 30,  
 5 1998;

6    2.       20% FOR THE TAXABLE YEAR BEGINNING AFTER JUNE 30,  
 7 1999;

8    3.       10% FOR THE TAXABLE YEAR BEGINNING AFTER JUNE 30,  
 9 2000; AND

10   4.       0% FOR ALL TAXABLE YEARS THEREAFTER.

11                    ~~(4)~~    (5)       Owners of newly constructed dwellings or first purchased  
 12 dwellings may qualify for the tax credit authorized by this subsection by:

13                                   (i)       purchasing a newly constructed dwelling or first purchased  
 14 dwelling;

15                                   (ii)      occupying the newly constructed dwelling or first purchased  
 16 dwelling as their principal residence;

17                                   (iii)     filing a State income tax return during the period of the tax  
 18 credit as a resident of Baltimore City; and

19                                   (iv)      satisfying other requirements as may be provided by the Mayor  
 20 and City Council of Baltimore City.

21                    ~~(5)~~    (6)       The Mayor and City Council of Baltimore City may provide for  
 22 procedures necessary and appropriate for the submission of an application for and the  
 23 granting of a property tax credit under this subsection, including procedures for  
 24 granting partial credits for eligibility for less than a full taxable year.

25                    ~~(6)~~    (7)       The estimated amount of all tax credits received by owners  
 26 under this subsection in any fiscal year shall be reported by the Director of Finance of  
 27 Baltimore City as a "tax expenditure" for that fiscal year and shall be included in the  
 28 publication of the City's budget for any subsequent fiscal year with the estimated or  
 29 actual City property tax revenue for the applicable fiscal year.

30                    ~~(7)~~    (8)       (i)       After June 30, 2000, additional owners of newly  
 31 constructed dwellings or first purchased dwellings may not be granted a credit under  
 32 this subsection.

33                                   (ii)      This paragraph does not apply to an owner's continuing receipt  
 34 of a credit as allowed in paragraph (3) of this subsection, with respect to a property for  
 35 which a tax credit under this subsection was received for a taxable year ending on or  
 36 before June 30, 2000.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act ~~shall take effect~~  
2 ~~July 1, 1998~~ is an emergency measure, is necessary for the immediate preservation of  
3 the public health and safety, has been passed by a yea and nay vote supported by  
4 three-fifths of all the members elected to each of the two Houses of the General  
5 Assembly, and shall take effect from the date it is enacted.