

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 86

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “Act” in line 2 down through “Provisions” in line 3 and substitute “Tax Credits”; in line 6, after the semicolon, insert “expanding a certain geographic area for the purpose of determining eligibility for the tax credits; repealing certain provisions concerning the availability of the property tax credit; requiring an individual to apply for the property tax credit within a certain period of time;”; and in line 16, strike “9-326(a)” and substitute “9-326”.

AMENDMENT NO. 2

On page 2, strike in their entirety lines 8 through 15, inclusive, and substitute:

“(a) The Mayor and City Council of Baltimore City and the governing body of Baltimore County shall grant a property tax credit against the county property tax imposed on owner-occupied, residential real property that is purchased from July 1, 1996 through June 30, [1999] 2001, in a geographic area of Baltimore City or Baltimore County that:

(1) IN BALTIMORE CITY, contains between 800 and [1200] 1500 single-family dwellings;

(2) IN BALTIMORE COUNTY, CONTAINS BETWEEN 800 AND 1400 SINGLE-FAMILY DWELLINGS; and

(3) [that] is designated by the Mayor of Baltimore City or the County Executive of Baltimore County, respectively, for participation in a demonstration project for neighborhood preservation and stabilization.

(b) In order to qualify for the credit under this section:

(Over)

(1) for the 12-month period immediately prior to purchasing the property, the individual's principal residence may not have been located in either of the two geographic areas designated under this section, unless the individual was not an owner of the property that was the individual's principal residence; and

(2) the residential real property must have been purchased in conformance with the guidelines regarding government housing assistance programs established by the Mayor and City Council of Baltimore City and the governing body of Baltimore County.

(c) The property tax credit shall equal:

(1) 40% of the County property tax for each of the first 5 taxable years after the purchase of the real property;

(2) 35% of the County property tax for the 6th taxable year after the purchase of the real property;

(3) 30% of the County property tax for the 7th taxable year after the purchase of the real property;

(4) 25% of the County property tax for the 8th taxable year after the purchase of the real property;

(5) 20% of the County property tax for the 9th taxable year after the purchase of the real property;

(6) 15% of the County property tax for the 10th taxable year after the purchase of the real property; and

(7) 0% of the County property tax for each taxable year thereafter.

(d) The property tax credit shall first apply to the taxable year beginning after the date of the purchase of the eligible real property.

(e) The Mayor and City Council of Baltimore City and the governing body of Baltimore County may provide, by law, for any other provision necessary to carry out the property tax credit under this section.

(f) The Mayor and City Council of Baltimore City and the governing body of Baltimore County shall hold a public hearing prior to the final designation of the geographic area under subsection (a) of this section.

(g) The Mayor and City Council of Baltimore City and the governing body of Baltimore County shall provide, on an annual basis to those individuals qualifying for the property tax credit under this section, a statement certifying qualification for the property tax credit and the amount of the property tax credit being granted. The statement may be provided on or with the annual property tax bill or in another manner as chosen by the local government.

(h) [(1) Subject to the provisions of paragraph (2) of this subsection, the Mayor and City Council of Baltimore City and the governing body of Baltimore County shall establish guidelines precluding the availability of the tax credit under this section if the residential real property is purchased through a federal or State housing assistance program.

(2) Notwithstanding any other provision of law, the tax credit under this section may not be denied if:

(i) the mortgage loan is guaranteed or insured through the Department of Veterans Affairs, the Federal Housing Administration, the Rural Housing Services, or the Maryland Housing Fund; or

(ii) the mortgage loan is intended to be purchased by the Federal National Mortgage Association, the Federal Home Loan Mortgage Association, the Governmental National Mortgage Association, or the Community Development Administration within the Department of Housing and Community Development.] IN ORDER TO BE ELIGIBLE FOR A PROPERTY TAX CREDIT UNDER THIS SECTION, AN INDIVIDUAL SHALL APPLY FOR THE CREDIT AT LEAST 6 MONTHS AFTER THE TITLE TO THE RESIDENTIAL PROPERTY HAS BEEN TRANSFERRED TO THE INDIVIDUAL.”.

AMENDMENT NO. 3

On page 2, after line 21, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding § 9-326(h) of the Tax - Property Article, as enacted by Section 1 of this Act, in order to be eligible for a property tax credit under § 9-326 of the Tax - Property Article, an individual who purchased residential property from July 1, 1996 through June 1, 1999 shall apply for the credit no later than December 1, 1999.”;

and in line 22, strike “3.” and substitute “4.”.