
By: **Senator Middleton**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Charles County - Property Tax and Recordation Tax - Rental Dwellings**
3 **Converted to Owner-Occupied Dwellings**

4 FOR the purpose of authorizing the governing body of Charles County, by law after a
5 public hearing, to designate as eligible for certain tax benefits geographically
6 defined targeted areas of the county that the governing body determines are in
7 transition from predominantly owner-occupied homes to predominantly rental
8 dwellings; authorizing the governing body of Charles County to grant, by law, a
9 property tax credit against the county property tax imposed on real property
10 that is located in a designated targeted area and has been converted from a
11 rental dwelling to an owner-occupied dwelling; authorizing the governing body
12 of Charles County to grant a recordation tax exemption for an instrument of
13 writing that transfers a rental dwelling to an individual who will occupy the
14 dwelling as the individual's principal residence; authorizing the governing body
15 of Charles County to provide, by law, for certain provisions to implement the
16 property tax credit and recordation tax exemption; and generally relating to
17 certain authority for the governing body of Charles County to grant certain tax
18 credits and exemptions for certain property located in certain designated areas.

19 BY repealing and reenacting, with amendments,
20 Article - Tax - Property
21 Section 9-310
22 Annotated Code of Maryland
23 (1994 Replacement Volume and 1998 Supplement)

24 BY adding to
25 Article - Tax - Property
26 Section 12-114
27 Annotated Code of Maryland
28 (1994 Replacement Volume and 1998 Supplement)

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

1 **Article - Tax - Property**

2 9-310.

3 (a) The governing body of Charles County may grant, by law, a property tax
4 credit under this section against the county tax imposed on:

5 (1) real property that is:

6 (i) owned by a nonprofit community or civic improvement
7 association or corporation; and8 (ii) used only for a community, civic, educational, recreational, or
9 library purpose, if:10 1. unless the compensation is used only to improve or
11 maintain the property, the use is not contingent on the payment of compensation for
12 admission; and13 2. unless the compensation is used only to improve or
14 maintain the property, failure to pay compensation is not a reason to deny admission
15 to or use of the property;16 (2) real property that is owned by the Greater Waldorf Jaycees,
17 Incorporated;18 (3) real property that is owned by the Southern Maryland Youth
19 Organization, Incorporated;20 (4) agricultural land, including any farm improvement, that is located in
21 an agricultural preservation district;

22 (5) a building other than a tobacco barn that is:

23 (i) located on land that qualifies for an agricultural use
24 assessment; and25 (ii) used in connection with an activity that is recognized by the
26 Department as an approved agricultural activity;27 (6) real property that is owned by Habitat for Humanity or any
28 charitable organization holding that property with the intention of relinquishing
29 ownership in the immediate future for charitable purposes; [and]

30 (7) subject to subsection (b) of this section, real property:

31 (i) that is located in a rural legacy area as defined in § 5-9A-02 of
32 the Natural Resources Article; and

1 (ii) for which the property owner has sold the development rights
2 under the Rural Legacy Program established under Title 5, Subtitle 9A of the Natural
3 Resources Article; AND

4 (8) SUBJECT TO SUBSECTION (C) OF THIS SECTION, RESIDENTIAL REAL
5 PROPERTY THAT IS LOCATED IN A DESIGNATED TARGETED AREA AND HAS BEEN
6 CONVERTED FROM A RENTAL DWELLING TO AN OWNER-OCCUPIED DWELLING.

7 (b) The governing body of Charles County may provide for the conditions of
8 eligibility and method of application for and the amount of the property tax credit
9 authorized under subsection (a)(7) of this section.

10 (C) (1) THE GOVERNING BODY OF CHARLES COUNTY MAY, BY LAW AFTER A
11 PUBLIC HEARING, DESIGNATE AS ELIGIBLE FOR THE TAX CREDIT UNDER
12 SUBSECTION (A)(8) OF THIS SECTION AND THE RECORDATION TAX EXEMPTION
13 AUTHORIZED UNDER § 12-114 OF THIS ARTICLE GEOGRAPHICALLY DEFINED
14 TARGETED AREAS OF THE COUNTY THAT THE GOVERNING BODY DETERMINES ARE
15 IN TRANSITION FROM PREDOMINANTLY OWNER-OCCUPIED HOMES TO
16 PREDOMINANTLY RENTAL DWELLINGS.

17 (2) THE GOVERNING BODY OF CHARLES COUNTY MAY PROVIDE BY LAW
18 FOR:

19 (I) ANY CRITERIA FOR ELIGIBILITY, CONDITIONS, OR
20 RESTRICTIONS FOR A CREDIT AUTHORIZED UNDER SUBSECTION (A)(8) OF THIS
21 SECTION;

22 (II) PROVISIONS TO DEFINE, FIX, OR LIMIT THE AMOUNT, TERMS,
23 SCOPE, AND DURATION OF A CREDIT AUTHORIZED UNDER SUBSECTION (A)(8) OF
24 THIS SECTION; AND

25 (III) ANY OTHER PROVISION APPROPRIATE TO IMPLEMENT THE
26 CREDIT AUTHORIZED UNDER SUBSECTION (A)(8) OF THIS SECTION.

27 12-114.

28 (A) IN THIS SECTION, "RENTAL DWELLING" MEANS RESIDENTIAL REAL
29 PROPERTY WITH ACCOMMODATIONS FOR NOT MORE THAN 4 UNITS THAT IS HELD BY
30 THE OWNER PRIMARILY FOR RENTAL, INVESTMENT, OR THE GENERATION OF
31 INCOME AND IS LOCATED IN A TARGETED AREA DESIGNATED BY THE GOVERNING
32 BODY OF CHARLES COUNTY UNDER § 9-310(C) OF THIS ARTICLE.

33 (B) THE GOVERNING BODY OF CHARLES COUNTY MAY GRANT, BY LAW, AN
34 EXEMPTION, IN WHOLE OR IN PART, FROM THE RECORDATION TAX IMPOSED ON AN
35 INSTRUMENT OF WRITING THAT TRANSFERS A RENTAL DWELLING IN CHARLES
36 COUNTY TO AN INDIVIDUAL WHO WILL OCCUPY THE PROPERTY AS A PRINCIPAL
37 RESIDENCE.

38 (C) TO QUALIFY FOR THE EXEMPTION AUTHORIZED UNDER THIS SECTION,
39 THE INSTRUMENT OF WRITING SHALL BE ACCOMPANIED BY:

1 (1) A STATEMENT UNDER OATH SIGNED BY THE GRANTOR THAT THE
2 PROPERTY HAS BEEN HELD BY THE GRANTOR AS A RENTAL DWELLING; AND

3 (2) A STATEMENT UNDER OATH SIGNED BY THE GRANTEE THAT THE
4 RESIDENCE WILL BE OCCUPIED BY THE GRANTEE AS THE GRANTEE'S PRINCIPAL
5 RESIDENCE.

6 (D) THE GOVERNING BODY OF CHARLES COUNTY MAY PROVIDE BY LAW FOR:

7 (1) ANY ADDITIONAL CRITERIA FOR ELIGIBILITY, CONDITIONS, OR
8 RESTRICTIONS FOR AN EXEMPTION PROVIDED UNDER THIS SECTION;

9 (2) PROVISIONS TO DEFINE, FIX, OR LIMIT THE AMOUNT, TERMS, AND
10 SCOPE OF AN EXEMPTION PROVIDED UNDER THIS SECTION; AND

11 (3) ANY OTHER PROVISION APPROPRIATE TO IMPLEMENT THE
12 EXEMPTION.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 1999.