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By: **Senator Middleton**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 29, 1999

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CHAPTER \_\_\_\_\_

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

1 Section 12-114  
2 Annotated Code of Maryland  
3 (1994 Replacement Volume and 1998 Supplement)

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

6 **Article - Tax - Property**

7 9-310.

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

10 (1) real property that is:

11 (i) owned by a nonprofit community or civic improvement  
12 association or corporation; and

13 (ii) used only for a community, civic, educational, recreational, or  
14 library purpose, if:

15 1. unless the compensation is used only to improve or  
16 maintain the property, the use is not contingent on the payment of compensation for  
17 admission; and

18 2. unless the compensation is used only to improve or  
19 maintain the property, failure to pay compensation is not a reason to deny admission  
20 to or use of the property;

21 (2) real property that is owned by the Greater Waldorf Jaycees,  
22 Incorporated;

23 (3) real property that is owned by the Southern Maryland Youth  
24 Organization, Incorporated;

25 (4) agricultural land, including any farm improvement, that is located in  
26 an agricultural preservation district;

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

28 (i) located on land that qualifies for an agricultural use  
29 assessment; and

30 (ii) used in connection with an activity that is recognized by the  
31 Department as an approved agricultural activity;

32 (6) real property that is owned by Habitat for Humanity or any  
33 charitable organization holding that property with the intention of relinquishing  
34 ownership in the immediate future for charitable purposes; [and]

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

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

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

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

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

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

20 (2) THE GOVERNING BODY OF CHARLES COUNTY MAY PROVIDE BY LAW  
21 FOR:

22 (I) ANY CRITERIA FOR ELIGIBILITY, CONDITIONS, OR  
23 RESTRICTIONS FOR A CREDIT AUTHORIZED UNDER SUBSECTION (A)(8) OF THIS  
24 SECTION;

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

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

30 12-114.

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

36 (B) THE GOVERNING BODY OF CHARLES COUNTY MAY GRANT, BY LAW, AN  
37 EXEMPTION, IN WHOLE OR IN PART, FROM THE RECORDATION TAX IMPOSED ON AN  
38 INSTRUMENT OF WRITING THAT TRANSFERS A RENTAL DWELLING IN CHARLES

1 COUNTY TO AN INDIVIDUAL WHO WILL OCCUPY THE PROPERTY AS A PRINCIPAL  
2 RESIDENCE.

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

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

7 (2) A STATEMENT UNDER OATH SIGNED BY THE GRANTEE THAT THE  
8 RESIDENCE WILL BE OCCUPIED BY THE GRANTEE AS THE GRANTEE'S PRINCIPAL  
9 RESIDENCE.

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

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

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

15 (3) ANY OTHER PROVISION APPROPRIATE TO IMPLEMENT THE  
16 EXEMPTION.

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