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By: **Prince George's County Delegation**  
Introduced and read first time: February 11, 2000  
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Property and Income Taxes - Neighborhood**  
3 **Stabilization Credits**  
4 **PG 408-00**

5 FOR the purpose of authorizing the governing body of Prince George's County to  
6 grant, by law, a property tax credit against county property tax imposed on  
7 certain owner-occupied, residential real property; allowing certain property  
8 owners a credit against State income tax for certain property tax paid; providing  
9 for the eligibility criteria for the credit; providing for the phase-out of the credit;  
10 specifying the taxable year in which the tax credit is first applicable; requiring  
11 the County Executive of Prince George's County to hold a public hearing prior to  
12 final designation of eligible areas; providing for the method of and criteria for  
13 selection of geographic areas eligible to receive the credit; providing for the  
14 termination of the property tax credit on the sale of the property; providing for  
15 the applicability of this Act; and generally relating to credits against certain  
16 county property taxes and the State income tax for property tax paid for certain  
17 residential real property.

18 BY repealing and reenacting, with amendments,  
19 Article - Tax - General  
20 Section 10-707(a) and (b)  
21 Annotated Code of Maryland  
22 (1997 Replacement Volume and 1999 Supplement)

23 BY adding to  
24 Article - Tax - Property  
25 Section 9-318(d)  
26 Annotated Code of Maryland  
27 (1994 Replacement Volume and 1999 Supplement)

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

1

**Article - Tax - General**

2 10-707.

3 (a) An individual may claim a credit against the State income tax for a taxable  
4 year in the amount specified in subsection (b) of this section for property tax paid in  
5 that taxable year for owner-occupied, residential real property that is granted a  
6 property tax credit under § 9-318(D) OR § 9-326 of the Tax - Property Article.

7 (b) The credit shall equal the amount of the property tax credit granted for  
8 property tax paid under § 9-318(D) OR § 9-326 of the Tax - Property Article.

9

**Article - Tax - Property**

10 9-318.

11 (D) (1) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY GRANT,  
12 BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY PROPERTY TAX IMPOSED  
13 ON OWNER-OCCUPIED, RESIDENTIAL REAL PROPERTY THAT IS PURCHASED FROM  
14 JULY 1, 2000 THROUGH JUNE 30, 2002, SPECIFIC TO TWO GEOGRAPHIC AREAS OF  
15 PRINCE GEORGE'S COUNTY THAT:

16 (I) CONTAIN UP TO 2,500 SINGLE-FAMILY DWELLINGS IN THE  
17 AGGREGATE; AND

18 (II) ARE DESIGNATED BY THE COUNTY EXECUTIVE OF PRINCE  
19 GEORGE'S COUNTY FOR PARTICIPATION IN A DEMONSTRATION PROJECT FOR  
20 NEIGHBORHOOD PRESERVATION AND STABILIZATION.

21 (2) IN ORDER TO QUALIFY FOR THE CREDIT UNDER THIS SUBSECTION:

22 (I) FOR THE 12-MONTH PERIOD IMMEDIATELY PRIOR TO  
23 PURCHASING THE PROPERTY, THE INDIVIDUAL'S PRINCIPAL RESIDENCE MAY NOT  
24 HAVE BEEN LOCATED IN THE GEOGRAPHIC AREAS DESIGNATED UNDER THIS  
25 SUBSECTION, UNLESS THE INDIVIDUAL WAS NOT AN OWNER OF THE PROPERTY  
26 THAT WAS THE INDIVIDUAL'S PRINCIPAL RESIDENCE;

27 (II) THE DESIGNATED GEOGRAPHIC AREAS SHALL BE LOCATED  
28 WITHIN TWO OF THE FOLLOWING AREAS:

29 1. A PRIORITY FUNDING AREA, AS DEFINED IN § 5-7B-02 OF  
30 THE STATE FINANCE AND PROCUREMENT ARTICLE;

31 2. A REVITALIZATION TAX CREDIT DISTRICT, AS DEFINED IN  
32 § 10-235.02 ESTABLISHED UNDER THE PRINCE GEORGE'S COUNTY CODE; OR

33 3. AN ENTERPRISE ZONE, AS DEFINED IN ARTICLE 83A, §  
34 5-401(F) OF THE CODE; AND

1 (III) THE RESIDENTIAL REAL PROPERTY MUST HAVE BEEN  
2 PURCHASED IN CONFORMANCE WITH A RESOLUTION ADOPTED BY THE COUNTY  
3 EXECUTIVE THAT IS APPROVED BY THE COUNTY COUNCIL.

4 (3) THE PROPERTY TAX CREDIT SHALL EQUAL:

5 (I) 40% OF THE COUNTY PROPERTY TAX FOR EACH OF THE FIRST 5  
6 TAXABLE YEARS AFTER THE PURCHASE OF THE REAL PROPERTY;

7 (II) 35% OF THE COUNTY PROPERTY TAX FOR THE 6TH TAXABLE  
8 YEAR AFTER THE PURCHASE OF THE REAL PROPERTY;

9 (III) 30% OF THE COUNTY PROPERTY TAX FOR THE 7TH TAXABLE  
10 YEAR AFTER THE PURCHASE OF THE REAL PROPERTY;

11 (IV) 25% OF THE COUNTY PROPERTY TAX FOR THE 8TH TAXABLE  
12 YEAR AFTER THE PURCHASE OF THE REAL PROPERTY;

13 (V) 20% OF THE COUNTY PROPERTY TAX FOR THE 9TH TAXABLE  
14 YEAR AFTER THE PURCHASE OF THE REAL PROPERTY;

15 (VI) 15% OF THE COUNTY PROPERTY TAX FOR THE 10TH TAXABLE  
16 YEAR AFTER THE PURCHASE OF THE REAL PROPERTY; AND

17 (VII) 0% OF THE COUNTY PROPERTY TAX FOR EACH TAXABLE YEAR  
18 THEREAFTER.

19 (4) THE PROPERTY TAX CREDIT SHALL FIRST APPLY TO THE TAXABLE  
20 YEAR BEGINNING AFTER THE DATE OF THE PURCHASE OF THE ELIGIBLE REAL  
21 PROPERTY.

22 (5) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY PROVIDE,  
23 BY LAW, FOR ANY OTHER PROVISION NECESSARY TO CARRY OUT THE PROPERTY TAX  
24 CREDIT UNDER THIS SUBSECTION.

25 (6) (I) THE COUNTY EXECUTIVE OF PRINCE GEORGE'S COUNTY SHALL  
26 HOLD A PUBLIC HEARING PRIOR TO THE FINAL DESIGNATION OF THE GEOGRAPHIC  
27 AREAS UNDER PARAGRAPH (1) OF THIS SUBSECTION.

28 (II) DESIGNATION OF GEOGRAPHIC AREAS SHALL BE MADE BY A  
29 RESOLUTION ADOPTED BY THE COUNTY EXECUTIVE AND APPROVED BY THE  
30 COUNTY COUNCIL.

31 (7) THE PRINCE GEORGE'S COUNTY DEPARTMENT OF FINANCE SHALL  
32 PROVIDE, ON AN ANNUAL BASIS TO THOSE INDIVIDUALS QUALIFYING FOR THE  
33 PROPERTY TAX CREDIT UNDER THIS SUBSECTION, A STATEMENT CERTIFYING  
34 QUALIFICATION FOR THE PROPERTY TAX CREDIT AND THE AMOUNT OF THE  
35 PROPERTY TAX CREDIT BEING GRANTED. THE STATEMENT MAY BE PROVIDED ON OR  
36 WITH THE ANNUAL PROPERTY TAX BILL OR IN ANOTHER MANNER AS CHOSEN BY  
37 THE LOCAL GOVERNMENT.

1           (8)       IN ORDER TO BE ELIGIBLE FOR A PROPERTY TAX CREDIT UNDER  
2 THIS SUBSECTION, AN INDIVIDUAL SHALL APPLY FOR THE CREDIT AT LEAST 6  
3 MONTHS AFTER THE TITLE TO THE RESIDENTIAL PROPERTY HAS BEEN  
4 TRANSFERRED TO THE INDIVIDUAL.

5           (9)       THE PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION  
6 TERMINATES ON THE SALE OF THE PROPERTY.

7       SECTION 2. AND BE IT FURTHER ENACTED, That on or before October 1,  
8 2002, in accordance with § 2-1246 of the State Government Article, the County  
9 Executive of Prince George's County shall report to the General Assembly on the  
10 impact of this Act on the neighborhoods that are targeted.

11       SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 June 1, 2000, and shall be applicable to all taxable years for income tax purposes  
13 beginning after December 31, 2000.