
By: **Senator Kasemeyer, Senator Collins (Baltimore County Administration)**
and Senator McFadden (Baltimore City Administration)

Introduced and read first time: February 2, 2000

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City and Baltimore County - Property Tax - Neighborhood**
3 **Stabilization Credits**

4 FOR the purpose of extending to a certain date the applicability of certain credits
5 against certain property taxes and the State income tax for certain property in
6 Baltimore City and Baltimore County; authorizing additional geographic areas
7 of Baltimore County and Baltimore City in which the tax credits apply;
8 requiring an individual to apply for the property tax credit within a certain
9 period of time; extending to a certain date the requirement that the State
10 Comptroller, the Mayor of Baltimore City, and the County Executive of
11 Baltimore County file certain reports; providing for the applicability of this Act;
12 and generally relating to credits against certain county property taxes and the
13 State income tax for property tax paid for certain residential real property.

14 BY repealing and reenacting, without amendments,
15 Article - Tax - General
16 Section 10-707
17 Annotated Code of Maryland
18 (1997 Replacement Volume and 1999 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article - Tax - Property
21 Section 9-326
22 Annotated Code of Maryland
23 (1994 Replacement Volume and 1999 Supplement)

24 BY repealing and reenacting, with amendments,
25 Chapter 319 of the Acts of the General Assembly of 1999
26 Section 2

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
28 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 § 9-326 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 § 9-326 of the Tax - Property Article.

9 (c) If the credit allowed under this section in any taxable year exceeds the
10 State income tax for that taxable year, calculated before application of the credits
11 under this section and §§ 10-701 and 10-701.1 of this subtitle, but after application of
12 the other credits allowable under this subtitle, the excess of the credit shall be
13 refunded.

14 Article - Tax - Property

15 9-326.

16 (a) The Mayor and City Council of Baltimore City and the governing body of
17 Baltimore County shall grant a property tax credit against the County property tax
18 imposed on owner-occupied, residential real property that:

19 (1) is purchased from July 1, 1996 through June 30, [2001, in a
20 geographic area of Baltimore City or Baltimore County that] 2002:

21 [(1)] (I) in TWO GEOGRAPHIC AREAS OF Baltimore City, THAT
22 [contains] CONTAIN between:

23 1. 800 and 1500 single-family dwellings IN ONE
24 GEOGRAPHIC AREA; AND

25 2. UP TO 2400 SINGLE-FAMILY DWELLINGS IN ANOTHER
26 GEOGRAPHIC AREA;

27 [(2)] (II) in TWO GEOGRAPHIC AREAS OF Baltimore County,
28 [contains] THAT CONTAIN between:

29 1. 800 and 1400 single-family dwellings IN ONE
30 GEOGRAPHIC AREA; AND

31 2. 2000 AND 2400 SINGLE-FAMILY DWELLINGS IN ANOTHER
32 GEOGRAPHIC AREA; and

33 [(3)] (2) is designated by the Mayor of Baltimore City or the County
34 Executive of Baltimore County, respectively, for participation in a demonstration
35 project for neighborhood preservation and stabilization.

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

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

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

10 (c) The property tax credit shall equal:

11 (1) 40% of the County property tax for each of the first 5 taxable years
12 after the purchase of the real property;

13 (2) 35% of the County property tax for the 6th taxable year after the
14 purchase of the real property;

15 (3) 30% of the County property tax for the 7th taxable year after the
16 purchase of the real property;

17 (4) 25% of the County property tax for the 8th taxable year after the
18 purchase of the real property;

19 (5) 20% of the County property tax for the 9th taxable year after the
20 purchase of the real property;

21 (6) 15% of the County property tax for the 10th taxable year after the
22 purchase of the real property; and

23 (7) 0% of the County property tax for each taxable year thereafter.

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

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

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

32 (g) The Mayor and City Council of Baltimore City and the governing body of
33 Baltimore County shall provide, on an annual basis to those individuals qualifying for
34 the property tax credit under this section, a statement certifying qualification for the
35 property tax credit and the amount of the property tax credit being granted. The

1 statement may be provided on or with the annual property tax bill or in another
2 manner as chosen by the local government.

3 (h) In order to be eligible for a property tax credit under this section, an
4 individual shall apply for the credit [at least] WITHIN 6 months after the title to the
5 residential property has been transferred to the individual.

6

Chapter 319 of the Acts of 1999

7 SECTION 2. AND BE IT FURTHER ENACTED, That on or before October 1,
8 [2000] 2001, in accordance with § 2-1246 of the State Government Article, the State
9 Comptroller shall report to the General Assembly on the effect of this Act on income
10 tax revenues and the Mayor of Baltimore City and the County Executive of Baltimore
11 County shall report to the General Assembly on the impact of this Act on the
12 neighborhoods that are targeted.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 June 1, 2000, and shall be applicable to all taxable years for income tax purposes
15 beginning after December 31, 2000.