
By: **Delegate Franchot**
Introduced and read first time: February 19, 2001
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Homestead Property Tax Credit - Percentage**

3 FOR the purpose of altering the homestead credit percentage that applies for county
4 property tax purposes under certain circumstances; providing that a homestead
5 credit percentage set by the governing body of a municipal corporation remains
6 effective until changed by the governing body of the municipal corporation;
7 providing for the application of this Act; and generally relating to the homestead
8 property tax credit.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - Property
11 Section 9-105(e)
12 Annotated Code of Maryland
13 (1994 Replacement Volume and 2000 Supplement)

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

16 **Article - Tax - Property**

17 9-105.

18 (e) (1) For each taxable year, the property tax credit under this section is
19 calculated by:

20 (i) multiplying the prior year's taxable assessment by the
21 homestead credit percentage as provided under paragraph (2) of this subsection;

22 (ii) subtracting that amount from the current year's assessment;
23 and

24 (iii) if the difference is a positive number, multiplying the difference
25 by the applicable State, county, or municipal corporation property tax rate for the
26 current year.

1 (2) For each taxable year, the homestead credit percentage under
2 paragraph (1)(i) of this subsection is:

3 (i) for the State property tax, 110%;

4 (ii) for the county property tax:

5 1. the homestead credit percentage established by the county
6 under paragraph (3) of this subsection; or

7 2. if the county has not set a percentage for the taxable year
8 under paragraph (3) of this subsection or has not notified the Department as required
9 under paragraph (6) of this subsection, [the homestead credit percentage in effect for
10 the county for the preceding taxable year] 104%; and

11 (iii) for the municipal corporation property tax:

12 1. the homestead credit percentage established by the
13 municipal corporation under paragraph (4) of this subsection; or

14 2. if the municipal corporation has not set a percentage
15 under paragraph (4) of this subsection or has not notified the Department as required
16 under paragraph (7) of this subsection, the homestead credit percentage for the
17 taxable year for the county in which the property is located.

18 (3) Subject to paragraph (5) of this subsection, the Mayor and City
19 Council of Baltimore City and the governing body of a county on or before November
20 15 [of any year] ANNUALLY shall set, by law, the homestead credit percentage for the
21 taxable year beginning the following July 1.

22 (4) (I) Subject to paragraph (5) of this subsection, on or before
23 November 25 of any year, the governing body of a municipal corporation may set or
24 alter, by law, a homestead credit percentage for the taxable year beginning the
25 following July 1 and any subsequent taxable year.

26 (II) A HOMESTEAD CREDIT PERCENTAGE SET BY THE GOVERNING
27 BODY OF A MUNICIPAL CORPORATION REMAINS EFFECTIVE UNTIL CHANGED BY THE
28 GOVERNING BODY OF THE MUNICIPAL CORPORATION.

29 (5) The homestead credit percentage for any county or municipal
30 corporation property tax:

31 (i) may not be less than 100% or exceed 110% for any taxable year;
32 and

33 (ii) shall be expressed in increments of 1 percentage point.

34 (6) The Mayor and City Council of Baltimore City and the governing
35 body of a county shall notify the Department of any action taken under paragraph (3)

1 of this subsection on or before November 15 preceding the taxable year for which the
2 action is taken.

3 (7) A municipal corporation shall notify the Department of any action
4 taken under paragraph (4) of this subsection on or before November 25 preceding the
5 taxable year for which the action is taken.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2001 and shall be applicable to all taxable years beginning after June 30,
8 2002.