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By: **Delegates Cardin, Frush, Gilleland, Healey, Heller, Hubbard, and Leopold Leopold, and Bohanan**

Introduced and read first time: February 2, 2005

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 25, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Property Tax - ~~Transfer of Property~~ Homestead Tax Credit - Eligibility**

3 FOR the purpose of ~~providing that a transfer of property is deemed to occur on the~~  
4 ~~date that an executed deed is recorded~~ establishing certain application  
5 procedures for the homestead property tax credit under certain circumstances;  
6 establishing the date of transfer of certain property; requiring the State  
7 Department of Assessments and Taxation to deny a certain application under  
8 certain circumstances; and generally relating to eligibility for the homestead  
9 property tax credit.

10 BY ~~adding to~~ repealing and reenacting, with amendments,

11 Article - Tax - Property

12 Section ~~4-306~~ 9-105(d)

13 Annotated Code of Maryland

14 (2001 Replacement Volume and 2004 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Tax - Property**

18 ~~4-306.~~

19 ~~UNLESS OTHERWISE PROVIDED IN THIS ARTICLE, A TRANSFER OF PROPERTY IS~~  
20 ~~DEEMED TO OCCUR ON THE DATE THAT AN EXECUTED DEED IS RECORDED.~~

1 9-105.

2 (d) (1) The Department shall authorize and the State, a county, or a  
3 municipal corporation shall grant a property tax credit under this section for a  
4 taxable year unless during the previous taxable year:

5 (i) the dwelling was transferred for consideration to new  
6 ownership;

7 (ii) the value of the dwelling was increased due to a change in the  
8 zoning classification of the dwelling initiated or requested by the homeowner or  
9 anyone having an interest in the property;

10 (iii) the use of the dwelling was changed substantially; or

11 (iv) the assessment of the dwelling was clearly erroneous due to an  
12 error in calculation or measurement of improvements on the real property.

13 (2) A homeowner must actually reside in the dwelling by July 1 of the  
14 taxable year for which the property tax credit under this section is to be allowed.

15 (3) A homeowner may claim a property tax credit under this section for  
16 only 1 dwelling.

17 (4) If a property tax credit under this section is less than \$1 in any  
18 taxable year, the tax credit may not be granted.

19 (5) (I) IF THE DWELLING WAS TRANSFERRED FOR CONSIDERATION TO  
20 NEW OWNERSHIP ON OR AFTER JANUARY 1 BUT BEFORE THE BEGINNING OF THE  
21 NEXT TAXABLE YEAR AND THE PROPERTY HAS NOT BEEN TRANSFERRED ON THE  
22 ASSESSMENT ROLLS PRIOR TO THE BEGINNING OF THE NEXT TAXABLE YEAR:

23 1. THE NEW OWNER MAY SUBMIT A WRITTEN APPLICATION  
24 FOR THE PROPERTY TAX CREDIT UNDER THIS SECTION TO THE DEPARTMENT  
25 WITHIN 60 DAYS AFTER THE DATE OF THE TRANSFER; AND

26 2. IF THE DEED IS RECORDED ON OR AFTER JULY 1 OF THE  
27 NEXT TAXABLE YEAR:

28 A. THE APPLICANT SHALL SUBMIT WITH THE WRITTEN  
29 APPLICATION A COPY OF THE EXECUTED DEED EVIDENCING THE DATE OF THE  
30 TRANSFER; AND

31 B. IF THE APPLICANT FAILS TO SUBMIT A COPY OF THE  
32 EXECUTED DEED AS REQUIRED UNDER ITEM A OF THIS ITEM, THE DEPARTMENT  
33 SHALL DENY THE APPLICATION.

34 (II) THE DATE OF THE TRANSFER UNDER THIS PARAGRAPH IS THE  
35 EFFECTIVE DATE OF THE DEED AS DESCRIBED UNDER § 3-201 OF THE REAL  
36 PROPERTY ARTICLE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
2 effect July 1, 2005.