
By: Delegates Ramirez, McHale, Leopold, Bates, Madaleno, Benson, Conroy, Cryor, Gutierrez, Howard, Mandel, McKee, and Trueschler ~~Trueschler~~, Bartlett, Boschert, Bozman, Cardin, C. Davis, Elmore, Gilleland, Goodwin, Gordon, Healey, Heller, Hixson, Kaiser, King, Marriott, Myers, Patterson, and Ross

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Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2005

CHAPTER _____

1 AN ACT concerning

2 **Property Tax - Homeowners' Property Tax Credit - Computation and Local**
3 **Supplement**

4 FOR the purpose of ~~altering the maximum assessed value of a dwelling on which a~~
5 ~~certain homeowners' property tax credit is calculated; altering the computation~~
6 ~~of the credit; providing for the application of this Act~~ altering the definition of
7 "total real property tax" so as to alter the application of a certain limitation on
8 the assessed value of a dwelling used for calculating a certain homeowners'
9 property tax credit; specifying certain additional eligibility criteria that the
10 Mayor and City Council of Baltimore City or the governing body of a county may
11 provide by law for purposes of a local supplement to a certain homeowners'
12 property tax credit; authorizing the Mayor and City Council of Baltimore City or
13 the governing body of a county to alter a certain limitation on a homeowner's net
14 worth for eligibility for the credit for purposes of a local supplement; providing
15 for the application of this Act; and generally relating to the homeowners'
16 property tax credit.

17 BY repealing and reenacting, with amendments,
18 Article - Tax - Property
19 Section 9-104(a)(13) and ~~(g)~~ 9-215
20 Annotated Code of Maryland
21 (2001 Replacement Volume and 2004 Supplement)

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

3 **Article - Tax - Property**

4 9-104.

5 (a) (13) "Total real property tax" means the product of the sum of all property
6 tax rates on real property, including special district tax rates, for the taxable year on
7 a dwelling, multiplied by the lesser of:

8 (I) \$150,000; OR

9 (II) the assessed value of the dwelling or ~~[\$150,000] \$175,000; and~~
10 then reduced by any THE AMOUNT OF ANY ASSESSMENT ON WHICH A property tax
11 credit IS granted under § 9-105 of this subtitle.

12 (g) (1) ~~Except as provided in subsection (g-1) of this section, the property~~
13 ~~tax credit under this section is the total real property tax of a dwelling, less the~~
14 ~~percentage of the combined income of the homeowner that is described in paragraph~~
15 ~~(2) of this subsection.~~

16 (2) ~~The percentage is:~~

17 (i) ~~0% of the 1st \$4,000 of combined income;~~

18 (ii) ~~[1%] 0% of the 2nd \$4,000 of combined income;~~

19 (iii) ~~[4.5%] 3.5% of the 3rd \$4,000 of combined income;~~

20 (iv) ~~6.5% of the 4th \$4,000 of combined income; and~~

21 (v) ~~9% of the combined income over \$16,000.~~

22 9-215.

23 (a) The Mayor and City Council of Baltimore City or the governing body of a
24 county may grant, by law, a local supplement to the Homeowners Property Tax Credit
25 Program provided under § 9-104 of this title.

26 (b) The county or Baltimore City may not obtain reimbursement under §
27 9-104(q) of this title for the amount of the local supplement authorized under this
28 section.

29 (c) The county shall notify the Department of the enactment of the local
30 supplement and any change in the local supplement in accordance with any
31 guidelines specified by the Department.

32 (d) (1) The Department is responsible for the administrative duties that
33 relate to the application and determination of eligibility for a property tax credit
34 under this section.

1 (2) The county shall reimburse the Department for the reasonable cost of
2 administering the Tax Credit Program under this section.

3 (e) (1) Except as provided in paragraph (2) of this subsection, the local
4 supplement authorized in accordance with subsection (a) of this section shall be
5 subject to the provisions of the State Homeowners Property Tax Credit Program
6 provided under § 9-104 of this title.

7 (2) The Mayor and City Council of Baltimore City or the governing body
8 of a county:

9 (i) may alter, by law, the following provisions for purposes of a local
10 supplement granted under this section:

11 1. the limitation on the assessed value of a dwelling taken
12 into account in determining total real property tax under § 9-104(a)(13) of this title;
13 [and]

14 2. the percentages and combined income levels specified
15 under § 9-104(g) of this title; and

16 3. THE LIMITATION ON COMBINED NET WORTH OF THE
17 HOMEOWNER UNDER § 9-104(I) OF THIS TITLE; AND

18 (ii) may provide, by law, for limitations on eligibility for a local
19 supplement granted under this section in addition to the requirements for eligibility
20 under § 9-104 of this title.

21 (3) THE ADDITIONAL ELIGIBILITY CRITERIA PROVIDED UNDER
22 PARAGRAPH (2)(II) OF THIS SUBSECTION MAY INCLUDE:

23 (I) CRITERIA LIMITING ELIGIBILITY FOR A LOCAL SUPPLEMENT
24 GRANTED UNDER THIS SECTION TO HOMEOWNERS:

25 1. WHO HAVE REACHED A CERTAIN AGE;

26 2. WHO HAVE RESIDED IN THEIR DWELLINGS FOR MORE
27 THAN A CERTAIN NUMBER OF YEARS; OR

28 3. WHOSE ASSESSMENTS HAVE INCREASED MORE THAN A
29 CERTAIN PERCENTAGE OVER A CERTAIN PERIOD OF TIME;

30 (II) ANY COMBINATION OF THE CRITERIA SPECIFIED IN ITEM (I) OF
31 THIS PARAGRAPH; AND

32 (III) ANY ADDITIONAL CRITERIA FOR ELIGIBILITY THAT THE MAYOR
33 AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY
34 DETERMINE TO BE NECESSARY OR APPROPRIATE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
2 effect June 1, 2005, and shall be applicable to all taxable years beginning after June
3 30, 2005.