
By: **Senator Lawlah**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 24, 2005

Rules suspended

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Property Tax Credits - Newly Constructed and**
3 **Renovated Dwellings**

4 FOR the purpose of authorizing the governing body of Prince George's County to
5 grant, by law, a property tax credit against the county property tax imposed on
6 certain dwellings in certain areas for a certain number of years; limiting the
7 property tax credits to a certain amount; reducing the amount of a certain
8 property tax credit by a certain percentage over a certain number of years;
9 establishing certain eligibility criteria; authorizing the governing body of Prince
10 George's County to establish certain eligibility requirements and requirements
11 for granting a partial credit under this Act; requiring the Director of Finance of
12 Prince George's County to report certain tax credit amounts as tax expenditures
13 for certain fiscal years and to include the amount of certain tax credits in the
14 budget for Prince George's County for certain fiscal years; defining certain
15 terms; providing for the application of this Act; and generally relating to
16 property tax credits in Prince George's County against the county property tax
17 imposed on certain dwellings in certain areas.

18 BY adding to
19 Article - Tax - Property
20 Section 9-318(e)
21 Annotated Code of Maryland
22 (2001 Replacement Volume and 2004 Supplement)

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

1 **Article - Tax - Property**

2 9-318.

3 (E) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
4 MEANINGS INDICATED.5 (II) "ELIGIBLE AREA" MEANS AN AREA LOCATED IN PRINCE
6 GEORGE'S COUNTY:7 1. WITHIN ONE-QUARTER MILE OF THE BORDER SHARED
8 BETWEEN PRINCE GEORGE'S COUNTY AND THE DISTRICT OF COLUMBIA; OR9 2. WITHIN A ONE-QUARTER MILE RADIUS OF A
10 WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY METRORAIL STATION
11 LOCATED IN PRINCE GEORGE'S COUNTY.12 (III) 1. "NEWLY CONSTRUCTED DWELLING" MEANS RESIDENTIAL
13 REAL PROPERTY THAT HAS NOT BEEN PREVIOUSLY OCCUPIED SINCE ITS
14 CONSTRUCTION AND FOR WHICH THE BUILDING PERMIT FOR CONSTRUCTION WAS
15 ISSUED ON OR AFTER JULY 1, 2005.16 2. "NEWLY CONSTRUCTED DWELLING" INCLUDES A VACANT
17 DWELLING THAT HAS BEEN REHABILITATED IN COMPLIANCE WITH APPLICABLE
18 LOCAL LAWS AND REGULATIONS AND HAS NOT BEEN PREVIOUSLY OCCUPIED SINCE
19 THE REHABILITATION.20 (IV) "VACANT DWELLING" MEANS RESIDENTIAL REAL PROPERTY
21 THAT:

22 1. CONTAINS NO MORE THAN FOUR DWELLING UNITS;

23 2. A. HAS BEEN CITED AS VACANT OR ABANDONED ON A
24 HOUSING OR BUILDING VIOLATION NOTICE FOR 1 YEAR; OR25 B. HAS BEEN OWNED BY PRINCE GEORGE'S COUNTY FOR 1
26 YEAR AND IS IN NEED OF SUBSTANTIAL REPAIR TO COMPLY WITH APPLICABLE
27 COUNTY CODES.28 (2) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, THE
29 GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY GRANT, BY LAW, A PROPERTY
30 TAX CREDIT UNDER THIS SUBSECTION AGAINST THE COUNTY PROPERTY TAX
31 IMPOSED IN AN ELIGIBLE AREA ON NEWLY CONSTRUCTED DWELLINGS AND
32 RENOVATED DWELLINGS.33 (3) (I) A PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION
34 FOR A NEWLY CONSTRUCTED DWELLING MAY NOT EXCEED THE AMOUNT OF
35 COUNTY PROPERTY TAX IMPOSED ON THE DWELLING, LESS THE AMOUNT OF ANY
36 OTHER CREDIT APPLICABLE IN THAT YEAR, MULTIPLIED BY:

1 1. 50% FOR THE FIRST TAXABLE YEAR IN WHICH THE
2 PROPERTY QUALIFIES FOR THE TAX CREDIT;

3 2. 40% FOR THE SECOND TAXABLE YEAR IN WHICH THE
4 PROPERTY QUALIFIES FOR THE TAX CREDIT;

5 3. 30% FOR THE THIRD TAXABLE YEAR IN WHICH THE
6 PROPERTY QUALIFIES FOR THE TAX CREDIT;

7 4. 20% FOR THE FOURTH TAXABLE YEAR IN WHICH THE
8 PROPERTY QUALIFIES FOR THE TAX CREDIT;

9 5. 10% FOR THE FIFTH TAXABLE YEAR IN WHICH THE
10 PROPERTY QUALIFIES FOR THE TAX CREDIT; AND

11 6. 0% FOR EACH TAXABLE YEAR THEREAFTER.

12 (4) A PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION FOR
13 RENOVATIONS TO A DWELLING MAY NOT EXCEED THE LESSER OF:

14 (I) 100% OF THE COST OF THE RENOVATIONS; OR

15 (II) THE COUNTY PROPERTY TAX OTHERWISE DUE FOR THE
16 TAXABLE YEAR THAT BEGINS AFTER THE COMPLETION OF THE RENOVATIONS.

17 (5) OWNERS OF NEWLY CONSTRUCTED DWELLINGS OR RENOVATED
18 DWELLINGS MAY QUALIFY FOR THE TAX CREDITS AUTHORIZED BY THIS SUBSECTION
19 BY:

20 (I) 1. PURCHASING A NEWLY CONSTRUCTED DWELLING
21 LOCATED IN AN ELIGIBLE AREA; OR

22 2. RENOVATING A DWELLING LOCATED IN AN ELIGIBLE
23 AREA;

24 (II) OCCUPYING THE NEWLY CONSTRUCTED DWELLING OR
25 RENOVATED DWELLING AS THEIR PRINCIPAL RESIDENCE;

26 (III) FILING A STATE INCOME TAX RETURN DURING THE PERIOD OF
27 THE TAX CREDIT AS A RESIDENT OF PRINCE GEORGE'S COUNTY; AND

28 (IV) SATISFYING OTHER REQUIREMENTS AS MAY BE PROVIDED BY
29 THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY.

30 (6) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY PROVIDE
31 FOR PROCEDURES NECESSARY AND APPROPRIATE FOR THE SUBMISSION OF AN
32 APPLICATION FOR AND THE GRANTING OF A PROPERTY TAX CREDIT UNDER THIS
33 SUBSECTION, INCLUDING PROCEDURES FOR GRANTING PARTIAL CREDITS FOR
34 ELIGIBILITY FOR LESS THAN A FULL TAXABLE YEAR.

1 (7) THE ESTIMATED AMOUNT OF ALL TAX CREDITS RECEIVED BY
2 OWNERS UNDER THIS SUBSECTION IN ANY FISCAL YEAR SHALL BE REPORTED BY
3 THE DIRECTOR OF FINANCE OF PRINCE GEORGE'S COUNTY AS A "TAX EXPENDITURE"
4 FOR THAT FISCAL YEAR AND SHALL BE INCLUDED IN THE PUBLICATION OF THE
5 COUNTY'S BUDGET FOR ANY SUBSEQUENT FISCAL YEAR WITH THE ESTIMATED OR
6 ACTUAL COUNTY PROPERTY TAX REVENUE FOR THE APPLICABLE FISCAL YEAR.

7 (8) (I) A PROPERTY TAX CREDIT UNDER THIS SUBSECTION MAY NOT
8 BE GRANTED:

9 1. FOR THE COST OF RENOVATIONS INCURRED DURING A
10 TAXABLE YEAR BEGINNING AFTER JUNE 30, 2010; OR

11 2. FOR A NEWLY CONSTRUCTED DWELLING FOR WHICH A
12 BUILDING PERMIT FOR CONSTRUCTION WAS ISSUED ON OR AFTER JULY 1, 2010.

13 (II) THIS PARAGRAPH DOES NOT APPLY TO AN OWNER'S
14 CONTINUING RECEIPT OF A CREDIT AS ALLOWED IN PARAGRAPH (3) OF THIS
15 SUBSECTION, WITH RESPECT TO A PROPERTY FOR WHICH A TAX CREDIT UNDER THIS
16 SUBSECTION WAS RECEIVED FOR A TAXABLE YEAR ENDING ON OR BEFORE JUNE 30,
17 2010.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 June 1, 2005, and shall be applicable to all taxable years beginning after June 30,
20 2005.