
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

Committee Report: Favorable

Senate action: Adopted

Read second time: April 5, 2005

CHAPTER _____

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)

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 9-318.

5 (E) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
6 MEANINGS INDICATED.

7 (II) "ELIGIBLE AREA" MEANS AN AREA LOCATED IN PRINCE
8 GEORGE'S COUNTY:

9 1. WITHIN ONE-QUARTER MILE OF THE BORDER SHARED
10 BETWEEN PRINCE GEORGE'S COUNTY AND THE DISTRICT OF COLUMBIA; OR

11 2. WITHIN A ONE-QUARTER MILE RADIUS OF A
12 WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY METRORAIL STATION
13 LOCATED IN PRINCE GEORGE'S COUNTY.

14 (III) 1. "NEWLY CONSTRUCTED DWELLING" MEANS RESIDENTIAL
15 REAL PROPERTY THAT HAS NOT BEEN PREVIOUSLY OCCUPIED SINCE ITS
16 CONSTRUCTION AND FOR WHICH THE BUILDING PERMIT FOR CONSTRUCTION WAS
17 ISSUED ON OR AFTER JULY 1, 2005.

18 2. "NEWLY CONSTRUCTED DWELLING" INCLUDES A VACANT
19 DWELLING THAT HAS BEEN REHABILITATED IN COMPLIANCE WITH APPLICABLE
20 LOCAL LAWS AND REGULATIONS AND HAS NOT BEEN PREVIOUSLY OCCUPIED SINCE
21 THE REHABILITATION.

22 (IV) "VACANT DWELLING" MEANS RESIDENTIAL REAL PROPERTY
23 THAT:

24 1. CONTAINS NO MORE THAN FOUR DWELLING UNITS;

25 2. A. HAS BEEN CITED AS VACANT OR ABANDONED ON A
26 HOUSING OR BUILDING VIOLATION NOTICE FOR 1 YEAR; OR

27 B. HAS BEEN OWNED BY PRINCE GEORGE'S COUNTY FOR 1
28 YEAR AND IS IN NEED OF SUBSTANTIAL REPAIR TO COMPLY WITH APPLICABLE
29 COUNTY CODES.

30 (2) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, THE
31 GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY GRANT, BY LAW, A PROPERTY
32 TAX CREDIT UNDER THIS SUBSECTION AGAINST THE COUNTY PROPERTY TAX
33 IMPOSED IN AN ELIGIBLE AREA ON NEWLY CONSTRUCTED DWELLINGS AND
34 RENOVATED DWELLINGS.

35 (3) (I) A PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION
36 FOR A NEWLY CONSTRUCTED DWELLING MAY NOT EXCEED THE AMOUNT OF

1 COUNTY PROPERTY TAX IMPOSED ON THE DWELLING, LESS THE AMOUNT OF ANY
2 OTHER CREDIT APPLICABLE IN THAT YEAR, MULTIPLIED BY:

3 1. 50% FOR THE FIRST TAXABLE YEAR IN WHICH THE
4 PROPERTY QUALIFIES FOR THE TAX CREDIT;

5 2. 40% FOR THE SECOND TAXABLE YEAR IN WHICH THE
6 PROPERTY QUALIFIES FOR THE TAX CREDIT;

7 3. 30% FOR THE THIRD TAXABLE YEAR IN WHICH THE
8 PROPERTY QUALIFIES FOR THE TAX CREDIT;

9 4. 20% FOR THE FOURTH TAXABLE YEAR IN WHICH THE
10 PROPERTY QUALIFIES FOR THE TAX CREDIT;

11 5. 10% FOR THE FIFTH TAXABLE YEAR IN WHICH THE
12 PROPERTY QUALIFIES FOR THE TAX CREDIT; AND

13 6. 0% FOR EACH TAXABLE YEAR THEREAFTER.

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

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

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

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

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

24 2. RENOVATING A DWELLING LOCATED IN AN ELIGIBLE
25 AREA;

26 (II) OCCUPYING THE NEWLY CONSTRUCTED DWELLING OR
27 RENOVATED DWELLING AS THEIR PRINCIPAL RESIDENCE;

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

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

32 (6) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY MAY PROVIDE
33 FOR PROCEDURES NECESSARY AND APPROPRIATE FOR THE SUBMISSION OF AN
34 APPLICATION FOR AND THE GRANTING OF A PROPERTY TAX CREDIT UNDER THIS

1 SUBSECTION, INCLUDING PROCEDURES FOR GRANTING PARTIAL CREDITS FOR
2 ELIGIBILITY FOR LESS THAN A FULL TAXABLE YEAR.

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

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

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

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

15 (II) THIS PARAGRAPH DOES NOT APPLY TO AN OWNER'S
16 CONTINUING RECEIPT OF A CREDIT AS ALLOWED IN PARAGRAPH (3) OF THIS
17 SUBSECTION, WITH RESPECT TO A PROPERTY FOR WHICH A TAX CREDIT UNDER THIS
18 SUBSECTION WAS RECEIVED FOR A TAXABLE YEAR ENDING ON OR BEFORE JUNE 30,
19 2010.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 2005, and shall be applicable to all taxable years beginning after June 30,
22 2005.