

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 275
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, strike “for purposes of the homestead property tax credit,” and substitute “a homeowner otherwise eligible for the homestead property tax credit who does not actually reside in a dwelling for the required period of time under certain circumstances may continue to qualify for the credit for certain tax years; providing that”; in line 5, strike “received in the previous” and substitute “existing at the commencement of a certain”; strike beginning with “shall” in line 5 down through “dwelling” in line 8 and substitute “may not be diminished, subject to certain exceptions; providing for the calculation of the homestead credit associated with the initial taxable assessment of certain improvements”; in line 10, strike “adding to” and substitute “repealing and reenacting, with amendments,”; and in line 12, strike “9-105(l)” and substitute “9-105(c)”.

AMENDMENT NO. 2

On pages 1 and 2, strike in their entirety the lines beginning with line 19 on page 1 through line 5 on page 2, inclusive, and substitute:

“(c) (1) If a dwelling is not used primarily for residential purposes, the Department shall apportion the total property assessment between the part of the dwelling that is used for residential purposes and the part of the dwelling that is not used for residential purposes.

(2) If a homeowner does not actually reside in a dwelling for the required time period because of illness or need of special care and is otherwise eligible for a property tax credit under this section, the homeowner may qualify for the property tax credit under this section.

(3) If a homeowner otherwise eligible for a credit under this section does not actually reside in a dwelling for the required time period because the dwelling is damaged due to an accident or natural disaster, the homeowner may continue to qualify for a credit under this section for the current taxable year and 2 succeeding taxable years even if the dwelling has been removed from

(Over)

the assessment roll in accordance with § 10-304 of this article.

(4) (i) For a homeowner who is an active member of an agricultural limited liability entity to qualify for the property tax credit under this section:

1. the dwelling must have been owned and occupied by the active member:

A. at the time of its transfer to the agricultural limited liability entity; or

B. if the agricultural limited liability entity is a limited liability company and the dwelling was originally transferred to the agricultural limited liability entity as part of a conversion from a partnership under § 4A-211 of the Corporations and Associations Article, then at the time of its transfer to the former partnership; and

2. the agricultural limited liability entity and the active member who occupies the dwelling must file an application with the Department establishing initial eligibility for the credit on or before June 30 for the following taxable year and, at the request of the Department, must file an application in any future year to verify continued eligibility.

(ii) Failure to file a timely application may result in disqualification from the Homestead Tax Credit Program for the following taxable year.

(iii) The credit may only be granted to one dwelling owned by the agricultural limited liability entity.

(iv) Participation in the credit program as the active member of an agricultural limited liability entity disqualifies any other dwellings owned by the active member for the credit.

(5) (I) THIS PARAGRAPH APPLIES ONLY IF THE HOMEOWNER OWNED AND OCCUPIED A DWELLING ON THE SUBJECT PROPERTY AS THE HOMEOWNER'S PRINCIPAL RESIDENCE FOR AT LEAST THE 3 TAX YEARS IMMEDIATELY PRECEEDING THE RAZING OF THE DWELLING OR THE COMMENCEMENT OF SUBSTANTIAL IMPROVEMENTS ON THE PROPERTY.

(II) IF A HOMEOWNER OTHERWISE ELIGIBLE FOR A CREDIT UNDER THIS SECTION DOES NOT ACTUALLY RESIDE IN A DWELLING ON THE

SUBJECT PROPERTY FOR THE REQUIRED PERIOD OF TIME UNDER SUBSECTION (A)(2) OR SUBSECTION (D)(2) OF THIS SECTION BECAUSE THE DWELLING WAS RAZED BY THE HOMEOWNER FOR THE PURPOSE OF REPLACING IT WITH A NEW DWELLING OR WAS VACATED BY THE HOMEOWNER FOR THE PURPOSE OF MAKING SUBSTANTIAL IMPROVEMENTS TO THE PROPERTY, THE HOMEOWNER MAY CONTINUE TO QUALIFY FOR A CREDIT UNDER THIS SECTION FOR THE TAX YEAR IN WHICH THE RAZING OR THE SUBSTANTIAL IMPROVEMENTS WERE COMMENCED AND 1 SUCCEEDING TAX YEAR EVEN IF THE DWELLING HAS BEEN REMOVED FROM THE ASSESSMENT ROLL.

(III) IF A HOMEOWNER QUALIFIES FOR A CREDIT UNDER THIS PARAGRAPH, THE FULL BENEFIT OF THE CREDIT EXISTING AT THE COMMENCEMENT OF THE TAX YEAR IN WHICH THE RAZING OR VACATING OF THE DWELLING OCCURRED MAY NOT BE DIMINISHED DURING THAT TAX YEAR EXCEPT THAT NEITHER THE CALCULATION OF THE ABATEMENT NOR THE ASSESSMENT UNDER THIS PARAGRAPH SHALL INCLUDE AN ASSESSMENT LESS THAN ZERO.

(IV) IF A HOMEOWNER QUALIFIES FOR A CREDIT UNDER THIS PARAGRAPH, THE CALCULATION OF THE CREDIT ASSOCIATED WITH THE INITIAL TAXABLE ASSESSMENT OF THE SUBSTANTIALLY COMPLETED NEW IMPROVEMENTS, WHICH IS EFFECTIVE ON OR BEFORE THE SECOND JULY 1 AFTER THE RAZING OR VACATING OF THE DWELLING, SHALL INCLUDE THE REVALUATION UNDER § 8-104(C)(1)(III) OF THIS ARTICLE.”.