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By: **Chairman, Ways and Means Committee (By Request - Departmental - Assessments and Taxation)**

Introduced and read first time: January 19, 2006

Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted

Read second time: February 14, 2006

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Homestead Tax Credit - Eligibility - Transferred Property**

3 FOR the purpose of clarifying a certain application procedure under the homestead  
4 property tax credit regarding certain dwellings transferred under certain  
5 circumstances; and generally relating to the homestead tax credit.

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - Property  
8 Section 9-105(d)  
9 Annotated Code of Maryland  
10 (2001 Replacement Volume and 2005 Supplement)

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

13 **Article - Tax - Property**

14 9-105.

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

18 (i) the dwelling was transferred for consideration to new  
19 ownership;

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

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

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

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

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

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

13 (5) (i) If the dwelling was transferred for consideration [to new  
 14 ownership] IN A DEED DATED on or after January 1 but before the beginning of the  
 15 next taxable year and [the property has not been transferred on the assessment  
 16 rolls] THE DEED HAS NOT BEEN RECORDED WITH THE CLERK OF THE CIRCUIT  
 17 COURT OR THE DEPARTMENT prior to the beginning of the next taxable year[:

18 1. the new owner may submit a written application for the  
 19 property tax credit under this section to the Department within 60 days after the date  
 20 of the transfer; and

21 2. if the deed is recorded on or after July 1 of the next taxable  
 22 year:

23 A. ], the NEW OWNER MAY SUBMIT A WRITTEN APPLICATION  
 24 TO THE DEPARTMENT WITHIN 60 DAYS AFTER THE DATE OF THE DEED REQUESTING  
 25 THAT THE DATE OF THE DEED BE ACCEPTED BY THE DEPARTMENT AS THE DATE OF  
 26 TRANSFER UNDER PARAGRAPH (1) OF THIS SUBSECTION.

27 (II) 1. THE applicant shall submit with the written application a  
 28 copy of the executed deed evidencing the date of the transfer[; and].

29 [B.] 2. [if] IF the applicant fails to submit a copy of the  
 30 executed deed as required under [item A of this item] SUBSUBPARAGRAPH 1 OF THIS  
 31 SUBPARAGRAPH, the Department shall deny the application.

32 [(ii)] (III) The date of the transfer under this paragraph is the  
 33 effective date of the deed as described under § 3-201 of the Real Property Article.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
 35 effect July 1, 2006.

