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

Introduced and read first time: January 26, 2006

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: February 21, 2006

CHAPTER _____

1 AN ACT concerning

2 **Property Tax - Credit for Repaired or Reconstructed Dwelling**

3 FOR the purpose of repealing a certain mandatory local tax credit for certain
 4 dwellings that are damaged or destroyed due to a natural disaster; altering the
 5 applicability of a certain property tax exemption for certain dwellings that are
 6 damaged or destroyed due to a natural disaster; creating a certain local option
 7 tax credit for certain dwellings that are damaged or destroyed due to a natural
 8 disaster; authorizing local governments to consider additional eligibility criteria
 9 for a certain local option tax credit; altering a certain date for the repair or
 10 reconstruction of a damaged dwelling for purposes of certain property tax relief;
 11 and generally relating to property tax relief for repaired or reconstructed
 12 dwellings.

13 BY repealing and reenacting, with amendments,
 14 Article - Tax - Property
 15 Section 7-307(b) and 9-109(e)
 16 Annotated Code of Maryland
 17 (2001 Replacement Volume and 2005 Supplement)

18 BY repealing
 19 Article - Tax - Property
 20 Section 9-109.1
 21 Annotated Code of Maryland
 22 (2001 Replacement Volume and 2005 Supplement)

23 BY adding to

1 Article - Tax - Property
2 Section 9-243
3 Annotated Code of Maryland
4 (2001 Replacement Volume and 2005 Supplement)

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

7 **Article - Tax - Property**

8 7-307.

9 (b) The property tax exemption under this section only applies for a taxable
10 year in which a property tax credit for the property described in subsection (a) of this
11 section is granted by the governing body of a county or municipal corporation under §
12 9-109 [or § 9-109.1] of this article and applies only to the extent that the credit is
13 granted.

14 9-109.

15 (e) The credit under this section may not be claimed for a dwelling for which
16 repair or reconstruction is completed[:

17 (1)] before September 18, 2003[; or

18 (2) after December 31, 2006].

19 [9-109.1.

20 (a) Subject to subsection (b) of this section, the Mayor and City Council of
21 Baltimore City and the governing body of each county and of each municipal
22 corporation shall grant a tax credit under this section against the county or municipal
23 corporation property tax imposed on real property if:

24 (1) the homeowner is otherwise eligible for the credit allowed under §
25 9-105 of this subtitle;

26 (2) (i) the dwelling is:

27 1. damaged or destroyed due to a natural disaster; and

28 2. subsequently repaired or reconstructed;

29 (ii) the dwelling is revalued after the dwelling is repaired or
30 reconstructed; and

31 (iii) as a result of the revaluation, the assessment of the dwelling
32 exceeds the last assessment of the dwelling; and

1 (3) the homeowner claiming the exemption had a legal interest in the
2 dwelling at the time the dwelling was damaged or destroyed as described under item
3 (2) of this subsection.

4 (b) A homeowner may receive a tax credit under this section only if the
5 homeowner qualified for and received a tax credit under § 9-109 of this subtitle and
6 is no longer receiving a tax credit under § 9-109 of this subtitle.

7 (c) The amount of the property tax credit allowed under this section shall
8 equal 50% of the property tax attributable to an increase in the assessment of the
9 dwelling upon revaluation under § 8-104(c)(1)(iii) of this article, including
10 improvements, over the last assessment of the dwelling before the natural disaster,
11 less the amount of any assessment on which a property tax credit under § 9-105 of
12 this subtitle has been authorized.

13 (d) A credit under this section may not be granted for more than 3 years.

14 (e) The Mayor and City Council of Baltimore City or the governing body of a
15 county or municipal corporation shall:

16 (1) establish procedures or requirements for the application, review, and
17 approval of tax credits under this section; and

18 (2) notify the Department of any credits that have been granted under
19 this section.

20 (f) The credit under this subsection may not be claimed for a dwelling for
21 which repair or reconstruction is completed:

22 (1) before September 18, 2003; or

23 (2) after December 31, 2006.]

24 9-243.

25 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE MAYOR AND CITY
26 COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR OF A
27 MUNICIPAL CORPORATION MAY GRANT A TAX CREDIT UNDER THIS SECTION
28 AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON
29 REAL PROPERTY IF:

30 (1) THE HOMEOWNER IS OTHERWISE ELIGIBLE FOR THE CREDIT
31 ALLOWED UNDER § 9-105 OF THIS TITLE;

32 (2) (I) THE DWELLING IS:

33 1. DAMAGED OR DESTROYED DUE TO A NATURAL DISASTER;

34 AND

35 2. SUBSEQUENTLY REPAIRED OR RECONSTRUCTED;

1 (II) THE DWELLING IS REVALUED AFTER THE DWELLING IS
2 REPAIRED OR RECONSTRUCTED; AND

3 (III) AS A RESULT OF THE REVALUATION, THE ASSESSMENT OF THE
4 DWELLING EXCEEDS THE LAST ASSESSMENT OF THE DWELLING; AND

5 (3) THE HOMEOWNER CLAIMING THE CREDIT HAD A LEGAL INTEREST
6 IN THE DWELLING AT THE TIME THE DWELLING WAS DAMAGED OR DESTROYED AS
7 DESCRIBED UNDER ITEM (2) OF THIS SUBSECTION.

8 (B) A HOMEOWNER MAY RECEIVE A TAX CREDIT UNDER THIS SECTION ONLY
9 IF THE HOMEOWNER QUALIFIED AND RECEIVED A TAX CREDIT UNDER § 9-109 OF
10 THIS TITLE AND IS NO LONGER RECEIVING A TAX CREDIT UNDER § 9-109 OF THIS
11 TITLE.

12 (C) THE AMOUNT OF THE PROPERTY TAX CREDIT ALLOWED UNDER THIS
13 SECTION SHALL EQUAL 50% OF THE PROPERTY TAX ATTRIBUTABLE TO AN INCREASE
14 IN THE ASSESSMENT OF THE DWELLING ON REVALUATION UNDER § 8-104(C)(1)(III)
15 OF THIS ARTICLE, INCLUDING IMPROVEMENTS, OVER THE LAST ASSESSMENT OF
16 THE DWELLING BEFORE THE NATURAL DISASTER, LESS THE AMOUNT OF ANY
17 ASSESSMENT ON WHICH A PROPERTY TAX CREDIT UNDER § 9-105 OF THIS TITLE HAS
18 BEEN AUTHORIZED.

19 (D) A CREDIT UNDER THIS SECTION MAY NOT BE GRANTED FOR MORE THAN 3
20 YEARS.

21 (E) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING
22 BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY:

23 (1) ESTABLISH PROCEDURES OR REQUIREMENTS FOR THE
24 APPLICATION, REVIEW, AND APPROVAL OF TAX CREDITS UNDER THIS SECTION;

25 (2) ESTABLISH ADDITIONAL ELIGIBILITY CRITERIA SUCH AS AGE,
26 INCOME LEVEL, OR ASSESSMENT VALUE; AND

27 (3) NOTIFY THE DEPARTMENT OF ANY CREDITS THAT HAVE BEEN
28 GRANTED UNDER THIS SECTION.

29 (F) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR A
30 DWELLING FOR WHICH REPAIR OR RECONSTRUCTION IS COMPLETED BEFORE
31 SEPTEMBER 18, 2003.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
33 effect June 1, 2006.

