
By: **Delegates Hixson, Aumann, Bartlett, Boschert, Bozman, Cardin, Cryor,
C. Davis, Elmore, Gilleland, Goodwin, Gordon, Healey, Heller, Howard,
Kaiser, King, Marriott, McKee, Myers, Patterson, Ramirez, and Ross**

Introduced and read first time: February 9, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Assessment Freeze for Elderly Homeowners**

3 FOR the purpose of prohibiting an increase in the property tax assessment of certain
4 owner-occupied residential real property owned by an individual who is at least
5 a certain age, whose household gross income does not exceed a certain amount,
6 and whose household net worth does not exceed a certain amount, except under
7 certain circumstances; defining certain terms; providing for the application of
8 this Act; and generally relating to prohibitions on increases in property tax
9 assessments.

10 BY adding to
11 Article - Tax - Property
12 Section 8-241
13 Annotated Code of Maryland
14 (2001 Replacement Volume and 2005 Supplement)

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

17 **Article - Tax - Property**

18 8-241.

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

21 (2) "DWELLING" HAS THE MEANING STATED IN § 9-105(A) OF THIS
22 ARTICLE.

23 (3) "GROSS INCOME" HAS THE MEANING STATED IN § 9-104(A) OF THIS
24 ARTICLE.

25 (4) "HOMEOWNER" HAS THE MEANING STATED IN § 9-105(A) OF THIS
26 ARTICLE.

1 (5) "NET WORTH" HAS THE MEANING STATED IN § 9-104(A) OF THIS
2 ARTICLE.

3 (6) "PREVIOUS ASSESSMENT" MEANS:

4 (I) FOR THE TAXABLE YEAR BEGINNING JULY 1, 2006, THE
5 TAXABLE ASSESSMENT OF PROPERTY FOR THE TAXABLE YEAR BEGINNING JULY 1,
6 2005; AND

7 (II) FOR EACH TAXABLE YEAR BEGINNING ON OR AFTER JULY 1,
8 2007, THE ASSESSMENT OF PROPERTY FOR THE PREVIOUS TAXABLE YEAR AS
9 LIMITED UNDER THIS SECTION.

10 (7) "TAXABLE ASSESSMENT" HAS THE MEANING STATED IN § 9-105(A) OF
11 THIS ARTICLE.

12 (B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A DWELLING
13 MAY NOT BE ASSESSED AT AN AMOUNT GREATER THAN THE PREVIOUS ASSESSMENT
14 OF THE DWELLING IF:

15 (1) A HOMEOWNER OF THE DWELLING WHO RESIDES IN THE DWELLING
16 WILL BE AT LEAST 65 YEARS OLD ON THE FIRST DAY OF A TAXABLE YEAR;

17 (2) THE HOMEOWNER'S HOUSEHOLD GROSS INCOME DOES NOT EXCEED
18 \$50,000 FOR THE PRECEDING CALENDAR YEAR; AND

19 (3) THE HOMEOWNER'S HOUSEHOLD NET WORTH DOES NOT EXCEED
20 \$250,000 AS OF DECEMBER 31 OF THE PRECEDING CALENDAR YEAR, EXCLUDING THE
21 VALUE OF THE PRINCIPAL RESIDENCE OF THE HOMEOWNER.

22 (C) SUBSECTION (B) OF THIS SECTION DOES NOT APPLY TO A DWELLING FOR
23 A TAXABLE YEAR IF, DURING THE PREVIOUS CALENDAR YEAR:

24 (1) A HOMEOWNER WHO IS AT LEAST 65 YEARS OLD FAILED TO OCCUPY
25 AND MAINTAIN THE DWELLING AS THE HOMEOWNER'S PRINCIPAL RESIDENCE,
26 UNLESS:

27 (I) THE FAILURE WAS CAUSED BY ILLNESS OR NEED OF SPECIAL
28 CARE; AND

29 (II) THE DWELLING WAS NOT LEASED TO ANOTHER OCCUPANT BY
30 THE HOMEOWNER;

31 (2) THERE WAS A TRANSFER OF OWNERSHIP OF THE DWELLING,
32 INCLUDING:

33 (I) ANY TRANSFER TO NEW OWNERSHIP, WHETHER OR NOT FOR
34 CONSIDERATION; OR

35 (II) ANY CHANGE IN OWNERSHIP AS A RESULT OF DEATH OF A
36 HOMEOWNER, UNLESS AN OWNER AFTER THE DEATH:

1
2 DIED;

1. IS THE SURVIVING SPOUSE OF THE HOMEOWNER WHO

3
4 PRINCIPAL RESIDENCE BEFORE THE DEATH; AND

2. OCCUPIED THE DWELLING AS THE SURVIVING SPOUSE'S

5
6 PREVIOUS TAXABLE YEAR;

3. WAS AT LEAST 65 YEARS OLD ON THE FIRST DAY OF THE

7 (3) THE VALUE OF THE DWELLING WAS INCREASED DUE TO A CHANGE
8 IN THE ZONING CLASSIFICATION;

9 (4) THE USE OF THE DWELLING WAS CHANGED SUBSTANTIALY;

10 (5) THE DWELLING WAS IMPROVED EXTENSIVELY; OR

11 (6) THE PREVIOUS ASSESSMENT OF THE DWELLING WAS CLEARLY
12 ERRONEOUS DUE TO AN ERROR IN CALCULATION OR MEASUREMENT OF
13 IMPROVEMENTS ON THE PROPERTY.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
15 effect July 1, 2006, and shall be applicable to assessments for all taxable years
16 beginning after July 1, 2006.