
By: **Delegates Gordon, Bromwell, Cardin, Cluster, DeBoy, Kaiser, King, and
Patterson**

Introduced and read first time: February 9, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Credit for Continuing Care Retirement Communities**

3 FOR the purpose of requiring the State and the governing body of each county and of
4 each municipal corporation to grant a certain property tax credit under certain
5 circumstances for certain continuing care facilities; requiring eligible taxpayers
6 to apply to the State Department of Assessments and Taxation for approval of
7 the credit; requiring the Department to adopt rules and regulations regarding
8 the credit; requiring the Department to include the credit on the taxpayer's
9 property tax bill; providing for the method of calculation of the tax credit
10 authorized; providing for the application of this Act; and generally relating to
11 the establishment of a property tax credit for certain continuing care retirement
12 communities.

13 BY repealing and reenacting, without amendments,
14 Article 70B - Department of Aging
15 Section 7(d) and (m)
16 Annotated Code of Maryland
17 (2003 Replacement Volume and 2005 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article - Tax - Property
20 Section 9-105(a)(5) and (e)
21 Annotated Code of Maryland
22 (2001 Replacement Volume and 2005 Supplement)

23 BY adding to
24 Article - Tax - Property
25 Section 9-110
26 Annotated Code of Maryland
27 (2001 Replacement Volume and 2005 Supplement)

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

3 **Article 70B - Department of Aging**

4 7.

5 (d) "Continuing care" means furnishing or making available shelter and either
6 medical and nursing services or other health related services to an individual 60
7 years of age or older not related by blood or marriage to the provider for the life of the
8 individual or for a period in excess of 1 year under one or more written agreements
9 that require a transfer of assets or an entrance fee notwithstanding periodic charges.

10 (m) "Facility" means a physical plant in which continuing care is provided in
11 accordance with this subtitle.

12 **Article - Tax - Property**

13 9-105.

14 (a) (5) "Taxable assessment" means the assessment on which the State,
15 county, or municipal corporation property tax rate was imposed in the preceding
16 taxable year, adjusted by the phased-in assessment increase resulting from a
17 revaluation under § 8-104(c)(1)(iii) of this article, less the amount of any assessment
18 on which a property tax credit under this section is authorized.

19 (e) (1) For each taxable year, the property tax credit under this section is
20 calculated by:

21 (i) multiplying the prior year's taxable assessment by the
22 homestead credit percentage as provided under paragraph (2) of this subsection;

23 (ii) subtracting that amount from the current year's assessment;
24 and

25 (iii) if the difference is a positive number, multiplying the difference
26 by the applicable State, county, or municipal corporation property tax rate for the
27 current year.

28 (2) For each taxable year, the homestead credit percentage under
29 paragraph (1)(i) of this subsection is:

30 (i) for the State property tax, 110%;

31 (ii) for the county property tax:

32 1. the homestead credit percentage established by the county
33 under paragraph (3) of this subsection; or

1 2. if the county has not set a percentage for the taxable year
2 under paragraph (3) of this subsection or has not notified the Department as required
3 under paragraph (6) of this subsection, the homestead credit percentage in effect for
4 the county for the preceding taxable year; and

5 (iii) for the municipal corporation property tax:

6 1. the homestead credit percentage established by the
7 municipal corporation under paragraph (4) of this subsection; or

8 2. if the municipal corporation has not set a percentage
9 under paragraph (4) of this subsection or has not notified the Department as required
10 under paragraph (7) of this subsection, the homestead credit percentage for the
11 taxable year for the county in which the property is located.

12 (3) Subject to paragraph (5) of this subsection, the Mayor and City
13 Council of Baltimore City and the governing body of a county on or before November
14 15 of any year shall set, by law, the homestead credit percentage for the taxable year
15 beginning the following July 1.

16 (4) Subject to paragraph (5) of this subsection, on or before November 25
17 of any year, the governing body of a municipal corporation may set or alter, by law, a
18 homestead credit percentage for the taxable year beginning the following July 1 and
19 any subsequent taxable year.

20 (5) The homestead credit percentage for any county or municipal
21 corporation property tax:

22 (i) may not be less than 100% or exceed 110% for any taxable year;
23 and

24 (ii) shall be expressed in increments of 1 percentage point.

25 (6) The Mayor and City Council of Baltimore City and the governing
26 body of a county shall notify the Department of any action taken under paragraph (3)
27 of this subsection on or before November 15 preceding the taxable year for which the
28 action is taken.

29 (7) A municipal corporation shall notify the Department of any action
30 taken under paragraph (4) of this subsection on or before November 25 preceding the
31 taxable year for which the action is taken.

32 9-110.

33 (A) IF THERE IS AN INCREASE IN PROPERTY ASSESSMENT AS CALCULATED
34 UNDER THIS SECTION, THE STATE AND THE GOVERNING BODY OF EACH COUNTY
35 AND OF EACH MUNICIPAL CORPORATION SHALL GRANT A PROPERTY TAX CREDIT
36 UNDER THIS SECTION AGAINST THE STATE, COUNTY, AND MUNICIPAL CORPORATION
37 PROPERTY TAX IMPOSED ON REAL PROPERTY BY THE STATE, COUNTY, OR
38 MUNICIPAL CORPORATION.

1 (B) THE DEPARTMENT SHALL AUTHORIZE AND THE STATE, A COUNTY, OR A
2 MUNICIPAL CORPORATION SHALL GRANT A PROPERTY TAX CREDIT UNDER THIS
3 SECTION FOR A TAXABLE YEAR ON THE ENTIRE PROPERTY OF A CONTINUING CARE
4 FACILITY AS DEFINED IN ARTICLE 70B, § 7(M) OF THE CODE.

5 (C) FOR EACH TAXABLE YEAR, THE PROPERTY TAX CREDIT UNDER THIS
6 SECTION IS CALCULATED BY:

7 (1) MULTIPLYING THE PRIOR YEAR'S TAXABLE ASSESSMENT, AS
8 DEFINED IN § 9-105(A)(5) OF THIS SUBTITLE, BY THE HOMESTEAD CREDIT
9 PERCENTAGE AS PROVIDED UNDER § 9-105(E)(2) OF THIS SUBTITLE;

10 (2) SUBTRACTING THE AMOUNT FROM THE CURRENT YEAR'S
11 ASSESSMENT; AND

12 (3) IF THE DIFFERENCE IS A POSITIVE NUMBER, MULTIPLYING THE
13 DIFFERENCE BY THE APPLICABLE STATE, COUNTY, OR MUNICIPAL CORPORATION
14 PROPERTY TAX RATE FOR THE CURRENT YEAR.

15 (D) THE DEPARTMENT SHALL GIVE NOTICE OF THE POSSIBLE PROPERTY TAX
16 CREDIT UNDER THIS SECTION.

17 (E) A TAXPAYER WHO MEETS THE REQUIREMENTS OF THIS SECTION SHALL
18 BE GRANTED THE PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE
19 STATE, COUNTY, AND MUNICIPAL CORPORATION PROPERTY TAX IMPOSED IN THE
20 REAL PROPERTY OF THE CONTINUING CARE FACILITY.

21 (F) THE TAX CREDIT UNDER THIS SECTION SHALL BE INCLUDED ON THE
22 PROPERTY TAX BILL ISSUED TO THE PROPERTY'S OWNER.

23 (G) THE DEPARTMENT SHALL ADOPT RULES AND REGULATIONS TO
24 IMPLEMENT THIS SECTION.

25 (H) THE TAX CREDIT UNDER THIS SECTION SHALL BE KNOWN AS THE
26 CONTINUING CARE FACILITY PROPERTY TAX CREDIT.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2006, and shall be applicable to all taxable years beginning after June 30,
29 2007.