

HOUSE BILL 251

Q2

71r2277
CF SB 224

By: **Delegate Anderson (By Request - Baltimore City Administration) and Delegates Branch, Carter, Conaway, Doory, Glenn, Hammen, Harrison, Haynes, Kirk, Krysiak, McHale, McIntosh, Oaks, Robinson, Rosenberg, Stukes, and Tarrant**

Introduced and read first time: January 29, 2007

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 6, 2007

CHAPTER _____

1 AN ACT concerning

2 **Baltimore City - Property Tax Credit for Newly Constructed Dwellings**

3 FOR the purpose of altering the termination date applicable to certain provisions
4 authorizing the Mayor and City Council of Baltimore City to grant, by law, a
5 property tax credit against the local property tax imposed on certain newly
6 constructed dwellings under certain circumstances; and generally relating to
7 property tax credits for newly constructed dwellings in Baltimore City.

8 BY repealing and reenacting, with amendments,

9 Article - Tax - Property

10 Section 9-304(d)

11 Annotated Code of Maryland

12 (2001 Replacement Volume and 2006 Supplement)

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

15 **Article - Tax - Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 9–304.

2 (d) (1) (i) In this subsection the following words have the meanings
3 indicated.

4 (ii) 1. “Newly constructed dwelling” means residential real
5 property that has not been previously occupied since its construction and for which the
6 building permit for construction was issued on or after October 1, 1994.

7 2. “Newly constructed dwelling” includes a “vacant
8 dwelling” as defined in subsection (c)(1) of this section that has been rehabilitated in
9 compliance with applicable local laws and regulations and has not been previously
10 occupied since the rehabilitation.

11 (iii) “Homeowner” has the meaning stated in § 9–105(a)(3) of this
12 title.

13 (2) The Mayor and City Council of Baltimore City may grant, by law, a
14 property tax credit under this subsection against the county property tax imposed on
15 newly constructed dwellings that are owned by qualifying owners.

16 (3) A property tax credit granted under this subsection may not exceed
17 the amount of county property tax imposed on the real property, less the amount of
18 any other credit applicable in that year, multiplied by:

19 (i) 50% for the first taxable year in which the property qualifies
20 for the tax credit;

21 (ii) 40% for the second taxable year in which the property
22 qualifies for the tax credit;

23 (iii) 30% for the third taxable year in which the property
24 qualifies for the tax credit;

25 (iv) 20% for the fourth taxable year in which the property
26 qualifies for the tax credit;

27 (v) 10% for the fifth taxable year in which the property qualifies
28 for the tax credit; and

29 (vi) 0% for each taxable year thereafter.

1 (4) Owners of newly constructed dwellings may qualify for the tax
2 credit authorized by this subsection by:

3 (i) purchasing a newly constructed dwelling;

4 (ii) occupying the newly constructed dwelling as their principal
5 residence;

6 (iii) filing a State income tax return during the period of the tax
7 credit as a resident of Baltimore City; and

8 (iv) satisfying other requirements as may be provided by the
9 Mayor and City Council of Baltimore City.

10 (5) The Mayor and City Council of Baltimore City may provide for
11 procedures necessary and appropriate for the submission of an application for and the
12 granting of a property tax credit under this subsection, including procedures for
13 granting partial credits for eligibility for less than a full taxable year.

14 (6) The estimated amount of all tax credits received by owners under
15 this subsection in any fiscal year shall be reported by the Director of Finance of
16 Baltimore City as a “tax expenditure” for that fiscal year and shall be included in the
17 publication of the City’s budget for any subsequent fiscal year with the estimated or
18 actual City property tax revenue for the applicable fiscal year.

19 (7) (i) After June 30, [2007] **2009**, additional owners of newly
20 constructed dwellings may not be granted a credit under this subsection.

21 (ii) This paragraph does not apply to an owner’s continuing
22 receipt of a credit as allowed in paragraph (3) of this subsection, with respect to a
23 property for which a tax credit under this subsection was received for a taxable year
24 ending on or before June 30, [2007] **2009**.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 June 1, 2007.