

# HOUSE BILL 755

Q1

71r1397  
CF SB 486

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By: **Delegates Ali, Barkley, Elmore, George, Kaiser, N. King, Manno, McConkey, Riley, Rosenberg, and Sossi Sossi, and Stocksdale**

Introduced and read first time: February 9, 2007

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2007

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Property Tax Credit – Replacement Home Purchased After Acquisition of**  
3 **Dwelling for Public Use**

4 FOR the purpose of ~~providing for a tax credit against the State, county, and municipal~~  
5 ~~corporation~~ authorizing the Mayor and City Council of Baltimore City or the  
6 governing body of a county or of a municipal corporation to grant, by law, a tax  
7 credit against a county or municipal corporation property taxes for certain  
8 property purchased by certain owners of certain property that is acquired for  
9 public use; ~~providing for the computation and duration of the credit; requiring~~  
10 ~~the State Department of Assessments and Taxation to adopt certain~~  
11 ~~regulations;~~ authorizing the county or municipal corporation to provide, by law,  
12 for the amount and duration of the credit, subject to certain limitations;  
13 authorizing the county or municipal corporation to provide, by law, for certain  
14 provisions necessary to carry out this Act; defining certain terms; providing for  
15 the application of this Act; and generally relating to a property tax credit for  
16 certain property purchased by certain owners of certain property acquired for  
17 public use.

18 BY adding to  
19 Article – Tax – Property

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### 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 Section ~~9-110~~ 9-246  
2 Annotated Code of Maryland  
3 (2001 Replacement Volume and 2006 Supplement)

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

6 **Article - Tax - Property**

7 **~~9-110.~~ 9-246.**

8 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
9 MEANINGS INDICATED.

10 (2) "ACQUIRED DWELLING" MEANS A DWELLING:

11 (I) THAT WAS OWNED BY A QUALIFIED DISPLACED  
12 HOMEOWNER;

13 (II) THAT BY NEGOTIATION OR CONDEMNATION WAS  
14 ACQUIRED FROM THE QUALIFIED DISPLACED HOMEOWNER FOR PUBLIC USE BY  
15 THE STATE OR A POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE STATE,  
16 WHERE THE ACQUIRING AGENCY HAD THE POWER TO ACQUIRE THE DWELLING  
17 FOR PUBLIC USE BY CONDEMNATION; AND

18 (III) FOR WHICH THE QUALIFIED DISPLACED HOMEOWNER  
19 WAS ELIGIBLE FOR A CREDIT UNDER § 9-105 OF THIS SUBTITLE FOR THE  
20 TAXABLE YEAR IN WHICH THE DWELLING WAS ACQUIRED FOR PUBLIC USE.

21 (3) "ACQUISITION YEAR" MEANS THE TAXABLE YEAR IN WHICH  
22 AN ACQUIRED DWELLING WAS ACQUIRED FOR PUBLIC USE BY THE STATE OR A  
23 POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE STATE.

24 (4) "DWELLING" HAS THE MEANING STATED IN § 9-105 OF THIS  
25 SUBTITLE.

26 (5) "QUALIFIED DISPLACED HOMEOWNER" MEANS A PROPERTY  
27 OWNER WHO:

28 (I) QUALIFIED FOR A CREDIT UNDER § 9-105 OF THIS  
29 SUBTITLE FOR AN ACQUIRED DWELLING FOR THE ACQUISITION YEAR; AND

1 (II) DID NOT RECEIVE COMPENSATION FOR INCREASED  
2 PROPERTY TAXES RESULTING FROM THE LOSS OF THE CREDIT UNDER § 9-105  
3 OF THIS SUBTITLE.

4 (6) "REPLACEMENT DWELLING" MEANS A DWELLING THAT IS  
5 PURCHASED BY A QUALIFIED DISPLACED HOMEOWNER BY THE END OF THE  
6 TAXABLE YEAR FOLLOWING THE ACQUISITION YEAR.

7 (7) "TAXABLE ASSESSMENT" HAS THE MEANING STATED IN  
8 § 9-105 OF THIS SUBTITLE.

9 (B) ~~THE STATE, A COUNTY, OR A MUNICIPAL CORPORATION SHALL~~  
10 ~~GRANT~~ MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING  
11 BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION MAY GRANT, BY LAW, A  
12 TAX CREDIT AS PROVIDED IN THIS SECTION AGAINST THE STATE, COUNTY, OR  
13 MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON A REPLACEMENT  
14 DWELLING.

15 (C) (1) THE PROPERTY TAX CREDIT UNDER THIS SECTION:

16 (I) ~~SHALL~~ MAY NOT BE GRANTED FOR MORE THAN 5 YEARS,  
17 BEGINNING WITH THE FIRST TAXABLE YEAR AFTER THE TAXABLE YEAR IN  
18 WHICH THE REPLACEMENT DWELLING WAS PURCHASED; AND

19 (II) ~~SHALL EQUAL~~ MAY NOT EXCEED THE FOLLOWING  
20 PERCENTAGES OF THE STATE, COUNTY, OR MUNICIPAL CORPORATION  
21 PROPERTY TAX ATTRIBUTABLE TO THE ELIGIBLE HOMESTEAD ASSESSMENT OF  
22 THE ACQUIRED DWELLING, AS DETERMINED UNDER PARAGRAPHS (2) AND (3)  
23 OF THIS SUBSECTION:

- 24 1. 100% FOR THE FIRST TAXABLE YEAR;
- 25 2. 80% FOR THE SECOND TAXABLE YEAR;
- 26 3. 60% FOR THE THIRD TAXABLE YEAR;
- 27 4. 40% FOR THE FOURTH TAXABLE YEAR; AND
- 28 5. 20% FOR THE FIFTH TAXABLE YEAR.

1           (2) ~~THE STATE,~~ COUNTY, OR MUNICIPAL CORPORATION  
2 PROPERTY TAX ATTRIBUTABLE TO THE ELIGIBLE HOMESTEAD ASSESSMENT OF  
3 THE ACQUIRED DWELLING IS THE PRODUCT OF MULTIPLYING THE APPLICABLE  
4 ~~STATE,~~ COUNTY, OR MUNICIPAL CORPORATION TAX RATE FOR THE CURRENT  
5 YEAR TIMES THE ELIGIBLE HOMESTEAD ASSESSMENT OF THE ACQUIRED  
6 DWELLING, AS DETERMINED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

7           (3) FOR PURPOSES OF PARAGRAPH (2) OF THIS SUBSECTION, AND  
8 SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, THE ELIGIBLE HOMESTEAD  
9 ASSESSMENT OF THE ACQUIRED DWELLING IS THE AMOUNT BY WHICH THE  
10 ACQUISITION YEAR ASSESSMENT OF THE ACQUIRED DWELLING EXCEEDS THE  
11 PRODUCT OF MULTIPLYING THE PRIOR YEAR'S TAXABLE ASSESSMENT OF THE  
12 ACQUIRED DWELLING TIMES:

13           (I) FOR PURPOSES OF THE COUNTY OR MUNICIPAL  
14 CORPORATION PROPERTY TAX WHERE THE REPLACEMENT DWELLING AND THE  
15 ACQUIRED DWELLING ARE LOCATED IN THE SAME COUNTY OR THE SAME  
16 MUNICIPAL CORPORATION, THE HOMESTEAD CREDIT PERCENTAGE APPLICABLE  
17 TO THE COUNTY PROPERTY TAX OR MUNICIPAL CORPORATION PROPERTY TAX  
18 FOR THE ACQUISITION YEAR; AND

19           (II) FOR PURPOSES OF THE COUNTY OR MUNICIPAL  
20 CORPORATION PROPERTY TAX WHERE THE REPLACEMENT DWELLING AND THE  
21 ACQUIRED DWELLING ARE NOT LOCATED IN THE SAME COUNTY OR THE SAME  
22 MUNICIPAL CORPORATION, ~~110%; AND~~

23           ~~(III) FOR PURPOSES OF THE STATE PROPERTY TAX, 100%.~~

24           (4) THE ELIGIBLE HOMESTEAD ASSESSMENT DETERMINED  
25 UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL BE REDUCED, BUT NOT  
26 BELOW ZERO, BY THE AMOUNT, IF ANY, BY WHICH THE ACQUISITION YEAR  
27 ASSESSMENT OF THE ACQUIRED DWELLING EXCEEDS THE ASSESSMENT OF THE  
28 REPLACEMENT DWELLING FOR THE FIRST TAXABLE YEAR FOR WHICH THE  
29 CREDIT UNDER THIS SECTION IS ALLOWED.

30           (D) ~~THE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL ADOPT~~  
31 REGULATIONS MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE  
32 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE,  
33 BY LAW, FOR:

1           **(1) THE AMOUNT AND DURATION OF THE PROPERTY TAX CREDIT**  
2 **UNDER THIS SECTION;**

3           **(2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT**  
4 **UNDER THIS SECTION;**

5           **(3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND**  
6 **UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND**

7           **(4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS**  
8 **SECTION.**

9           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10 June 1, 2007, and shall be applicable to all taxable years beginning after June 30,  
11 2007.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.