

SENATE BILL 224

Q2

71r2274
CF HB 251

By: **Senator McFadden (By Request – Baltimore City Administration)**

Introduced and read first time: January 29, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

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**

16 9–304.

17 (d) (1) (i) In this subsection the following words have the meanings
18 indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

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

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

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

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

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

29 (i) purchasing a newly constructed dwelling;

1 (ii) occupying the newly constructed dwelling as their principal
2 residence;

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

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

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

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

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

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

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