

SENATE BILL 522

Q1

71r2267
CF HB 436

By: **Senator Rosapepe**

Introduced and read first time: February 2, 2007

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 24, 2007

CHAPTER _____

1 AN ACT concerning

2 **Homestead Tax Credit – Eligibility Verification – Application**

3 FOR the purpose of requiring homeowners to file certain applications to the State
4 Department of Assessments and Taxation to qualify for the homestead property
5 tax credit; providing that the homestead property tax credit may not be granted
6 unless an application is filed as required within certain time periods under
7 certain circumstances; providing that the Department shall provide the option
8 for an application to be submitted on the Department’s website; requiring the
9 Comptroller to cooperate with the Department in adopting a certain procedure,
10 provide certain information to the Department, and assist the Department in a
11 postaudit of each application; requiring the counties to reimburse the
12 Department for the administration of the homestead property tax credit
13 application process; providing for a certain reporting requirement to certain
14 committees of the General Assembly; and generally relating to the homestead
15 property tax credit.

16 BY repealing and reenacting, with amendments,
17 Article – Tax – Property
18 Section 9–105(d)(1)
19 Annotated Code of Maryland
20 (2001 Replacement Volume and 2006 Supplement)

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 BY adding to
 2 Article – Tax – Property
 3 Section 9–105(d)(6) ~~and (l)~~, (l), and (m)
 4 Annotated Code of Maryland
 5 (2001 Replacement Volume and 2006 Supplement)

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

8 **Article – Tax – Property**

9 9–105.

10 (d) (1) **[The] SUBJECT TO THE PROVISIONS OF PARAGRAPH (6) OF**
 11 **THIS SUBSECTION, THE** Department shall authorize and the State, a county, or a
 12 municipal corporation shall grant a property tax credit under this section for a taxable
 13 year unless during the previous taxable year:

14 (i) the dwelling was transferred for consideration to new
 15 ownership;

16 (ii) the value of the dwelling was increased due to a change in
 17 the zoning classification of the dwelling initiated or requested by the homeowner or
 18 anyone having an interest in the property;

19 (iii) the use of the dwelling was changed substantially; or

20 (iv) the assessment of the dwelling was clearly erroneous due to
 21 an error in calculation or measurement of improvements on the real property.

22 **(6) (I) TO QUALIFY FOR THE CREDIT UNDER THIS SECTION, A**
 23 **HOMEOWNER SHALL SUBMIT AN APPLICATION FOR THE CREDIT TO THE**
 24 **DEPARTMENT AS PROVIDED IN THIS PARAGRAPH.**

25 **(II) THE APPLICATION SHALL:**

26 **1. BE MADE ON THE FORM THAT THE DEPARTMENT**
 27 **PROVIDES;**

1 **2. PROVIDE THE INFORMATION REQUIRED BY THE**
2 **FORM; AND**

3 **3. INCLUDE A STATEMENT BY THE HOMEOWNER**
4 **UNDER OATH THAT THE FACTS STATED IN THE APPLICATION ARE TRUE,**
5 **CORRECT, AND COMPLETE.**

6 **(III) THE DEPARTMENT MAY NOT AUTHORIZE AND THE**
7 **STATE, COUNTY, AND MUNICIPAL CORPORATION MAY NOT GRANT THE**
8 **PROPERTY TAX CREDIT UNDER THIS SECTION FOR A DWELLING UNLESS AN**
9 **APPLICATION IS FILED WITH THE DEPARTMENT AS REQUIRED UNDER THIS**
10 **PARAGRAPH:**

11 **1. ~~ON OR BEFORE SEPTEMBER 1~~ WITHIN 180 DAYS**
12 **FOLLOWING THE DATE THE DWELLING IS TRANSFERRED FOR CONSIDERATION**
13 **TO NEW OWNERSHIP, FOR A DWELLING THAT IS TRANSFERRED FOR**
14 **CONSIDERATION TO NEW OWNERSHIP AFTER DECEMBER 31, 2007; OR**

15 **2. ON OR BEFORE DECEMBER 31, 2012, FOR A**
16 **DWELLING THAT WAS LAST TRANSFERRED FOR CONSIDERATION TO NEW**
17 **OWNERSHIP ON OR BEFORE DECEMBER 31, 2007.**

18 **(IV) THE DEPARTMENT SHALL PROVIDE A HOMEOWNER THE**
19 **OPTION TO SUBMIT THE APPLICATION REQUIRED UNDER THIS PARAGRAPH**
20 **ELECTRONICALLY ON THE DEPARTMENT'S WEBSITE.**

21 **(L) THE COMPTROLLER SHALL:**

22 **(1) COOPERATE WITH THE DEPARTMENT IN ADOPTING A**
23 **PROCEDURE TO AUDIT THE APPLICATION FORMS SUBMITTED UNDER THIS**
24 **SECTION;**

25 **(2) NOTWITHSTANDING § 13-202 OF THE TAX - GENERAL**
26 **ARTICLE, PROVIDE ADDITIONAL INFORMATION TO THE DEPARTMENT; AND**

27 **(3) ASSIST THE DEPARTMENT IN A POSTAUDIT OF EACH**
28 **APPLICATION.**

1 (M) (1) THE COUNTIES SHALL REIMBURSE THE DEPARTMENT FOR
 2 THE ADMINISTRATION OF THE APPLICATION PROCESS UNDER SUBSECTION
 3 (D)(6) OF THIS SECTION.

4 (2) FOR EACH FISCAL YEAR, THE REIMBURSEMENT REQUIRED
 5 UNDER THIS SUBSECTION SHALL BE PRORATED BASED ON THE RATIO OF THE
 6 NUMBER OF IMPROVED PROPERTIES THAT WOULD BE ELIGIBLE FOR THE
 7 CREDIT UNDER THIS SECTION LOCATED IN THE COUNTY COMPARED TO THE
 8 TOTAL NUMBER OF IMPROVED RESIDENTIAL PROPERTIES ELIGIBLE FOR THE
 9 CREDIT UNDER THIS SECTION STATEWIDE AS OF JULY 1 OF THAT FISCAL YEAR.

10 (3) THE DEPARTMENT SHALL BILL EACH COUNTY ACCORDING TO
 11 THE FORMULA UNDER PARAGRAPH (2) OF THIS SUBSECTION.

12 SECTION 2. AND BE IT FURTHER ENACTED, That the State Department of
 13 Assessments and Taxation, in consultation with the Comptroller of the Treasury, shall
 14 initiate two studies of the implementation of the homestead property tax credit
 15 eligibility application process as provided under this Act. The studies shall provide
 16 information on:

17 (1) the application required by the Department;

18 (2) the education and outreach methods used by the Department to
 19 notify affected taxpayers about the required application;

20 (3) the aggregate number of applications received from taxpayers by
 21 county and the methods by which applications have been submitted;

22 (4) the methods used by the Department to collect, maintain, and
 23 analyze data collected from applications;

24 (5) the application audit and postaudit process adopted by the
 25 Department; and

26 (6) any other pertinent issues related to the application process.

27 The first study shall be submitted, subject to § 2-1246 of the State Government
 28 Article, to the Senate Budget and Taxation Committee and the House Committee on
 29 Ways and Means on or before January 1, 2009, so that the committees may review the
 30 report during the 2009 legislative session. The second study shall be submitted,
 31 subject to § 2-1246 of the State Government Article, to the Senate Budget and

1 Taxation Committee and the House Committee on Ways and Means on or before
2 January 1, 2010, so that the committees may review the report during the 2010
3 legislative session.

4 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
5 effect October 1, 2007.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.