

CHAPTER 558

(Senate Bill 486)

AN ACT concerning

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

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

BY adding to

Article – Tax – Property

Section ~~9-110~~ 9-246

Annotated Code of Maryland

(2001 Replacement Volume and 2006 Supplement)

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

Article – Tax – Property

~~9-110.~~ 9-246.

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

(2) “ACQUIRED DWELLING” MEANS A DWELLING:

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

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

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

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

(4) “DWELLING” HAS THE MEANING STATED IN § 9-105 OF THIS SUBTITLE.

(5) “QUALIFIED DISPLACED HOMEOWNER” MEANS A PROPERTY OWNER WHO:

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

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

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

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

(B) ~~THE STATE, A COUNTY, OR A MUNICIPAL CORPORATION SHALL GRANT~~ MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING

BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION MAY GRANT, BY LAW, A TAX CREDIT AS PROVIDED IN THIS SECTION AGAINST THE ~~STATE,~~ COUNTY, OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON A REPLACEMENT DWELLING.

(c) (1) THE PROPERTY TAX CREDIT UNDER THIS SECTION:

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

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

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

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

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

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

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

~~(III) FOR PURPOSES OF THE STATE PROPERTY TAX, 100%~~
110%.

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

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

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

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

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

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

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

Approved by the Governor, May 17, 2007.