

# SENATE BILL 495

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By: **Senators Haines, Brinkley, Colburn, Dyson, Edwards, Middleton, and Stoltzfus**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Homestead Property Tax Credit – Farm or Agricultural Use Land**

3 FOR the purpose of altering the definition of a dwelling that qualifies for the  
4 homestead property tax credit to include certain homes that are located on  
5 certain parcels of land that are recognized by the Department of Assessments  
6 and Taxation to be actively used for farm or agricultural purposes; providing  
7 that a homeowner may continue to be eligible for the homestead property tax  
8 credit under certain circumstances; providing that a dwelling must be occupied  
9 by a certain day to qualify for the homestead property tax credit; providing that  
10 a homeowner may claim a homestead property tax credit for two dwellings  
11 under certain circumstances; and generally relating to the homestead property  
12 tax credit for dwellings located on land used for farm or agricultural purposes.

13 BY repealing and reenacting, with amendments,  
14 Article – Tax – Property  
15 Section 9–105(a)(2), (c)(2) and (3), and (d)(2) and (3)  
16 Annotated Code of Maryland  
17 (2007 Replacement Volume)

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

20 **Article – Tax – Property**

21 9–105.

22 (a) (2) (i) “Dwelling” means:

23 1. a house that is:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 A. used as the principal residence of the homeowner; and

2 B. actually occupied or expected to be actually occupied  
3 by the homeowner for more than 6 months of a 12-month period beginning with the  
4 date of finality for the taxable year for which the property tax credit under this section  
5 is sought; and

6 2. the lot or curtilage on which the house is erected.

7 (ii) "Dwelling" includes:

8 1. a condominium unit that is occupied by an individual  
9 who has a legal interest in the condominium;

10 2. an apartment in a cooperative apartment corporation  
11 that is occupied by an individual who has a legal interest in the apartment; and

12 3. a part of real property used other than primarily for  
13 residential purposes, if the real property is used as a principal residence by an  
14 individual who has a legal interest in the real property.

15 (iii) **"DWELLING" INCLUDES:**

16 1. **A HOUSE THAT IS:**

17 **A. LOCATED ON A PARCEL OF LAND THAT IS**  
18 **RECOGNIZED BY THE DEPARTMENT TO BE ACTIVELY USED FOR FARM OR**  
19 **AGRICULTURAL PURPOSES;**

20 **B. USED AS THE PRINCIPAL PLACE OF RESIDENCE BY**  
21 **A FAMILY MEMBER OR AN EMPLOYEE OF AN INDIVIDUAL WHO HAS A LEGAL**  
22 **INTEREST IN THE PARCEL OF LAND THAT IS RECOGNIZED BY THE DEPARTMENT**  
23 **TO BE ACTIVELY USED FOR FARM OR AGRICULTURAL PURPOSES; AND**

24 **C. ACTUALLY OCCUPIED OR EXPECTED TO BE**  
25 **ACTUALLY OCCUPIED BY THE FAMILY MEMBER OR EMPLOYEE FOR MORE THAN**  
26 **9 MONTHS OF A 12-MONTH PERIOD BEGINNING WITH THE DATE OF FINALITY**  
27 **FOR THE TAXABLE YEAR FOR WHICH THE PROPERTY TAX CREDIT UNDER THIS**  
28 **SECTION IS SOUGHT; AND**

29 **2. THE LOT OR CURTILAGE ON WHICH THE HOUSE IS**  
30 **ERECTED.**

31 (c) (2) If a homeowner, **OR THE HOMEOWNER'S FAMILY MEMBER OR**  
32 **EMPLOYEE IN THE CASE OF A DWELLING DESCRIBED IN SUBSECTION (A)(2)(III)**  
33 **OF THIS SECTION,** does not actually reside in a dwelling for the required time period

1 because of illness or need of special care and is otherwise eligible for a property tax  
2 credit under this section, the homeowner may qualify for the property tax credit under  
3 this section.

4 (3) If a homeowner, **OR THE HOMEOWNER'S FAMILY MEMBER OR**  
5 **EMPLOYEE IN THE CASE OF A DWELLING DESCRIBED IN SUBSECTION (A)(2)(III)**  
6 **OF THIS SECTION**, otherwise eligible for a credit under this section does not actually  
7 reside in a dwelling for the required time period because the dwelling is damaged due  
8 to an accident or natural disaster, the homeowner may continue to qualify for a credit  
9 under this section for the current taxable year and 2 succeeding taxable years even if  
10 the dwelling has been removed from the assessment roll in accordance with § 10-304  
11 of this article.

12 (d) (2) A homeowner, **OR THE HOMEOWNER'S FAMILY MEMBER OR**  
13 **EMPLOYEE IN THE CASE OF A DWELLING DESCRIBED IN SUBSECTION (A)(2)(III)**  
14 **OF THIS SECTION**, must actually reside in the dwelling by July 1 of the taxable year  
15 for which the property tax credit under this section is to be allowed.

16 (3) (I) **[A] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**  
17 **THIS PARAGRAPH**, A homeowner may claim a property tax credit under this section  
18 for only 1 dwelling.

19 (II) **A HOMEOWNER MAY CLAIM A PROPERTY TAX CREDIT**  
20 **UNDER THIS SECTION FOR TWO DWELLINGS IF ONE OF THE DWELLINGS**  
21 **QUALIFIES AS A DWELLING UNDER SUBSECTION (A)(2)(I) OF THIS SECTION AND**  
22 **THE OTHER DWELLING QUALIFIES AS A DWELLING UNDER SUBSECTION**  
23 **(A)(2)(III) OF THIS SECTION.**

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 June 1, 2008, and shall be applicable to all taxable years beginning after June 30,  
26 2008.