

SENATE BILL 227

Q2

9lr1371
CF HB 143

By: **Senators McFadden and Jones (By Request - Baltimore City Administration)**

Introduced and read first time: January 23, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City - Newly Constructed Dwelling Property Tax Credit -**
3 **Modification and Reauthorization**

4 FOR the purpose of authorizing the Mayor and City Council of Baltimore City to
5 establish certain maximum limits for a certain property tax credit; authorizing
6 the Mayor and City Council of Baltimore City to establish certain application
7 periods; authorizing the Mayor and City Council of Baltimore City to establish a
8 one-time application amnesty period subject to certain restrictions; altering the
9 termination date applicable to certain provisions; requiring the Mayor and City
10 Council of Baltimore City to establish necessary and appropriate procedures to
11 carry out the property tax credit; and generally relating to the newly
12 constructed dwelling property tax credit in Baltimore City.

13 BY repealing and reenacting, with amendments,
14 Article - Tax - Property
15 Section 9-304(d)
16 Annotated Code of Maryland
17 (2007 Replacement Volume and 2008 Supplement)

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 9-304.

22 (d) (1) (i) In this subsection the following words have the meanings
23 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) NOTWITHSTANDING THE CREDIT AMOUNT CALCULATED**
28 **UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE MAYOR AND CITY COUNCIL**
29 **OF BALTIMORE CITY MAY ESTABLISH, BY LAW, MAXIMUM LIMITS ON THE**
30 **CUMULATIVE PROPERTY TAX CREDIT ALLOWED UNDER THIS SUBSECTION OR ON**
31 **THE AMOUNT ALLOWED FOR ANY YEAR.**

32 [(4)] (5) Owners of newly constructed dwellings may qualify for the
33 tax credit authorized by this subsection by:

34 (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 (6) (I) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY
8 MAY PROVIDE FOR TWO APPLICATION PERIODS DURING WHICH HOMEOWNERS
9 CAN APPLY FOR THE PROPERTY TAX CREDIT UNDER THIS SUBSECTION, ONE
10 THAT IS BASED ON THE PURCHASE DATE OF THE DWELLING AND ONE THAT IS
11 BASED ON THE DATE OF THE ASSESSMENT NOTICE.

12 (II) 1. THE MAYOR AND CITY COUNCIL OF BALTIMORE
13 CITY MAY PROVIDE A ONE-TIME AMNESTY PERIOD FOR HOMEOWNERS WHO
14 WERE PREVIOUSLY DENIED THE TAX CREDIT FOR FAILING TO MEET THE
15 APPLICATION DEADLINE.

16 2. THE AMNESTY PERIOD SHALL BEGIN AT THE TIME
17 THE TAX CREDIT IS REAUTHORIZED BY THE MAYOR AND CITY COUNCIL OF
18 BALTIMORE CITY AND SHALL END 60 DAYS THEREAFTER.

19 3. ONLY HOMEOWNERS WHO WERE ELIGIBLE FOR
20 THE TAX CREDIT ON OR AFTER JANUARY 2005 MAY BE ELIGIBLE FOR THE
21 AMNESTY PERIOD.

22 4. IF GRANTED, THE TAX CREDIT SHALL BE APPLIED
23 AGAINST THE HOMEOWNER'S PROPERTY TAXES AS LONG AS THE HOMEOWNER
24 REMAINS THE OWNER-OCCUPANT OF THE DWELLING FOR WHICH THE CREDIT IS
25 RECEIVED.

26 (III) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY
27 SHALL PROVIDE FOR THE PROCEDURES NECESSARY AND APPROPRIATE FOR
28 IMPLEMENTING THE APPLICATION AND AMNESTY PERIODS.

29 [(5)] (7) The Mayor and City Council of Baltimore City may provide
30 for ADDITIONAL procedures necessary and appropriate for the submission of an
31 application for and the granting of a property tax credit under this subsection,
32 including procedures for granting partial credits for eligibility for less than a full
33 taxable year.

1 [(6) (8) The estimated amount of all tax credits received by owners
2 under this subsection in any fiscal year shall be reported by the Director of Finance of
3 Baltimore City as a “tax expenditure” for that fiscal year and shall be included in the
4 publication of the City’s budget for any subsequent fiscal year with the estimated or
5 actual City property tax revenue for the applicable fiscal year.

6 [(7) (9) (i) After June 30, [2009] **2014**, additional owners of
7 newly constructed dwellings may not be granted a credit under this subsection.

8 (ii) This paragraph does not apply to an owner’s continuing
9 receipt of a credit as allowed in paragraph (3) of this subsection, with respect to a
10 property for which a tax credit under this subsection was received for a taxable year
11 ending on or before June 30, [2009] **2014**.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 June 1, 2009.