

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

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 26, 2009

CHAPTER _____

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; defining a certain term; and generally relating
12 to the newly 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.

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

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

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

10 (iii) ~~“Homeowner” has the meaning stated in § 9-105(a)(3) of this~~
11 ~~title.~~

12 **(III) “OWNER” MEANS “HOMEOWNER” AS DEFINED IN §**
13 **9-105 OF THIS TITLE.**

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

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

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

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

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

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

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

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

31 **(4) NOTWITHSTANDING THE CREDIT AMOUNT CALCULATED**
32 **UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE MAYOR AND CITY COUNCIL**
33 **OF BALTIMORE CITY MAY ESTABLISH, BY LAW, MAXIMUM LIMITS ON THE**

1 CUMULATIVE PROPERTY TAX CREDIT ALLOWED UNDER THIS SUBSECTION OR ON
 2 THE AMOUNT OF THE CREDIT ALLOWED FOR ANY YEAR.

3 [(4)] (5) Owners of newly constructed dwellings may qualify for the
 4 tax credit authorized by this subsection by:

5 (i) purchasing a newly constructed dwelling;

6 (ii) occupying the newly constructed dwelling as their principal
 7 residence;

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

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

12 (6) (I) **THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY**
 13 **MAY PROVIDE, BY LAW, FOR TWO APPLICATION PERIODS DURING WHICH**
 14 ~~HOMEOWNERS~~ **OWNERS CAN APPLY FOR THE PROPERTY TAX CREDIT UNDER**
 15 **THIS SUBSECTION, ONE THAT IS BASED ON THE PURCHASE DATE OF THE**
 16 **DWELLING AND ONE THAT IS BASED ON THE DATE OF THE ASSESSMENT NOTICE.**

17 (II) 1. **THE MAYOR AND CITY COUNCIL OF BALTIMORE**
 18 **CITY MAY PROVIDE, BY LAW, FOR A ONE-TIME AMNESTY PERIOD FOR**
 19 ~~HOMEOWNERS~~ **OWNERS WHO WERE PREVIOUSLY DENIED THE TAX CREDIT FOR**
 20 **FAILING TO MEET THE APPLICATION DEADLINE.**

21 2. **THE AMNESTY PERIOD SHALL BEGIN AT THE TIME**
 22 **THE TAX CREDIT IS REAUTHORIZED BY THE MAYOR AND CITY COUNCIL OF**
 23 **BALTIMORE CITY AND SHALL END 60 DAYS THEREAFTER.**

24 3. **ONLY ~~HOMEOWNERS~~ OWNERS WHO WERE**
 25 **ELIGIBLE FOR THE TAX CREDIT ON OR AFTER JANUARY 1, 2005, MAY BE**
 26 **ELIGIBLE TO APPLY FOR THE CREDIT DURING THE AMNESTY PERIOD.**

27 4. **IF GRANTED, THE TAX CREDIT SHALL BE APPLIED**
 28 **AGAINST THE ~~HOMEOWNER'S~~ OWNER'S PROPERTY TAXES AS LONG AS THE**
 29 ~~HOMEOWNER~~ **OWNER REMAINS THE OWNER-OCCUPANT OF THE DWELLING FOR**
 30 **WHICH THE CREDIT IS RECEIVED.**

31 (III) **THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY**
 32 **SHALL PROVIDE FOR ~~THE~~ ANY PROCEDURES NECESSARY AND APPROPRIATE**
 33 **FOR IMPLEMENTING THE APPLICATION AND AMNESTY PERIODS.**

1 [(5) (7)] The Mayor and City Council of Baltimore City may provide
 2 for **ADDITIONAL** procedures necessary and appropriate for the submission of an
 3 application for and the granting of a property tax credit under this subsection,
 4 including procedures for granting partial credits for eligibility for less than a full
 5 taxable year.

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

11 [(7) (9)] (i) After June 30, [2009] **2014**, additional owners of
 12 newly constructed dwellings may not be granted a credit under this subsection.

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.