

SENATE BILL 538

Q1

9lr2518

By: **Senator Zirkin**

Introduced and read first time: February 5, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Assessment – Home Improvements**

3 FOR the purpose of altering the circumstances under which certain real property is
4 required to be revalued for property tax assessment purposes in any year of a
5 3–year assessment cycle; altering a certain definition under the Homestead
6 Property Tax Credit; altering the calculation of the Homestead Property Tax
7 Credit under certain circumstances; and generally relating to the assessment of
8 certain real property for property tax purposes.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 8–104(c)(1)(iii), 9–105(a)(5), 9–109(b), and 9–243(c)
12 Annotated Code of Maryland
13 (2007 Replacement Volume and 2008 Supplement)

14 BY repealing and reenacting, without amendments,
15 Article – Tax – Property
16 Section 9–105(a)(2)
17 Annotated Code of Maryland
18 (2007 Replacement Volume and 2008 Supplement)

19 BY repealing
20 Article – Tax – Property
21 Section 9–105(c)(5)(iv)
22 Annotated Code of Maryland
23 (2007 Replacement Volume and 2008 Supplement)

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

26 **Article – Tax – Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 8–104.

2 (c) (1) In any year of a 3–year cycle, real property shall be revalued if any
3 of the factors listed below causes a change in the value of the real property:

4 (iii) substantially completed improvements are made **TO REAL**
5 **PROPERTY OTHER THAN A DWELLING, AS DEFINED IN § 9–105 OF THIS ARTICLE,**
6 which add at least \$50,000 in value to the property;

7 9–105.

8 (a) (2) (i) “Dwelling” means:

9 1. a house that is:

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

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

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

16 (ii) “Dwelling” includes:

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

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

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

24 (5) “Taxable assessment” means the assessment on which the State,
25 county, or municipal corporation property tax rate was imposed in the preceding
26 taxable year, [adjusted by the phased–in assessment increase resulting from a
27 revaluation under § 8–104(c)(1)(iii) of this article,] less the amount of any assessment
28 on which a property tax credit under this section is authorized.

29 (c) (5) [(iv) If a homeowner qualifies for a credit under this paragraph,
30 the calculation of the credit associated with the initial taxable assessment of the
31 substantially completed new improvements, which is effective on or before the second

1 July 1 after the razing or vacating of the dwelling, shall include the revaluation under
2 § 8–104(c)(1)(iii) of this article.]

3 9–109.

4 (b) The amount of the property tax credit allowed under this section shall
5 equal 100% of the property tax attributable to an increase in the assessment of the
6 dwelling upon revaluation [under § 8–104(c)(1)(iii) of this article], including
7 improvements, over the last assessment of the dwelling before the natural disaster,
8 less the amount of any assessment on which a property tax credit under § 9–105 of
9 this subtitle has been authorized.

10 9–243.

11 (c) The amount of the property tax credit allowed under this section shall
12 equal 50% of the property tax attributable to an increase in the assessment of the
13 dwelling on revaluation [under § 8–104(c)(1)(iii) of this article], including
14 improvements, over the last assessment of the dwelling before the natural disaster,
15 less the amount of any assessment on which a property tax credit under § 9–105 of
16 this title has been authorized.

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