

SENATE BILL 538

Q1

9lr2518

By: **Senator Zirkin**

Introduced and read first time: February 5, 2009

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 4, 2009

CHAPTER _____

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(e)(1)(iii), 9-105(a)(5), 9-109(b), and 9-243(e)~~ 8-104(c)(1)(iii)
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(e)(5)(iv)~~
22 ~~Annotated Code of Maryland~~
23 ~~(2007 Replacement Volume and 2008 Supplement)~~

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

3 **Article - Tax - Property**

4 8-104.

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

7 (iii) substantially completed improvements are made ~~TO REAL~~
8 ~~PROPERTY OTHER THAN A DWELLING, AS DEFINED IN § 9-105 OF THIS ARTICLE,~~
9 which add at least ~~\$50,000~~ **\$100,000** in value to the property;

10 ~~9-105.~~

11 ~~(a) (2) (i) "Dwelling" means:~~

12 ~~1. a house that is:~~

13 ~~A. used as the principal residence of the homeowner; and~~

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

18 ~~2. the lot or curtilage on which the house is erected.~~

19 ~~(ii) "Dwelling" includes:~~

20 ~~1. a condominium unit that is occupied by an individual~~
21 ~~who has a legal interest in the condominium;~~

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

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

27 ~~(5) "Taxable assessment" means the assessment on which the State,~~
28 ~~county, or municipal corporation property tax rate was imposed in the preceding~~
29 ~~taxable year, [adjusted by the phased-in assessment increase resulting from a~~
30 ~~revaluation under § 8-104(e)(1)(iii) of this article,] less the amount of any assessment~~
31 ~~on which a property tax credit under this section is authorized.~~

1 ~~(e) (5) [(iv) If a homeowner qualifies for a credit under this paragraph,~~
2 ~~the calculation of the credit associated with the initial taxable assessment of the~~
3 ~~substantially completed new improvements, which is effective on or before the second~~
4 ~~July 1 after the razing or vacating of the dwelling, shall include the revaluation under~~
5 ~~§ 8-104(e)(1)(iii) of this article.]~~

6 ~~9-109.~~

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

13 ~~9-243.~~

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.