

SENATE BILL 782

Q1

9lr2790

By: **Senator Haines**

Introduced and read first time: February 6, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Homestead Property Tax Credit for Housing Units in Independent Living**
3 **Retirement Communities**

4 FOR the purpose of making certain housing units at independent living retirement
5 communities eligible for a certain property tax credit under certain
6 circumstances; providing for the application of this Act; defining certain terms;
7 and generally relating to the application of a certain property tax credit to
8 certain housing units in certain independent living retirement communities.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – Property
11 Section 9–105(a)(1) through (3) and (b)
12 Annotated Code of Maryland
13 (2007 Replacement Volume and 2008 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – Property
16 Section 9–105(a)(4) and (d)(1)
17 Annotated Code of Maryland
18 (2007 Replacement Volume and 2008 Supplement)

19 BY adding to
20 Article – Tax – Property
21 Section 9–105(a)(9)
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 9–105.

2 (a) (1) In this section the following words have the meanings indicated.

3 (2) (i) “Dwelling” means:

4 1. a house that is:

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

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

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

11 (ii) “Dwelling” includes:

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

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

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

19 (3) “Homeowner” means an individual who has a legal interest in a
20 dwelling or who is an active member of an agricultural ownership entity that has a
21 legal interest in a dwelling.

22 (4) “Legal interest” means an interest in a dwelling:

23 (i) as a sole owner;

24 (ii) as a joint tenant;

25 (iii) as a tenant in common;

26 (iv) as a tenant by the entireties;

27 (v) through membership in a cooperative;

28 (vi) under a land installment contract, as defined in § 10–101 of
29 the Real Property Article; [or]

1 (vii) as a holder of a life estate; **OR**

2 (VIII) **AS AN OCCUPANT OF A HOUSING UNIT AT AN**
3 **INDEPENDENT LIVING RETIREMENT COMMUNITY UNDER A LIFE OCCUPANCY**
4 **AGREEMENT WITH THE OWNER OF THE COMMUNITY.**

5 (9) **“LIFE OCCUPANCY AGREEMENT” MEANS AN AGREEMENT**
6 **BETWEEN THE OWNER OF AN INDEPENDENT LIVING RETIREMENT COMMUNITY**
7 **AND AN OCCUPANT WHO IS AT LEAST AGE 55 UNDER WHICH THE OCCUPANT**
8 **PAYS A SUM OF MONEY IN EXCHANGE FOR THE RIGHT TO OCCUPY A HOUSING**
9 **UNIT FOR THE REMAINDER OF THE OCCUPANT’S LIFE.**

10 (b) If there is an increase in property assessment as calculated under this
11 section, the State and the governing body of each county and of each municipal
12 corporation shall grant a property tax credit under this section against the State,
13 county, and municipal corporation property tax imposed on real property by the State,
14 county, or municipal corporation.

15 (d) (1) Subject to the provisions of paragraph (6) of this subsection, the
16 Department shall authorize and the State, a county, or a municipal corporation shall
17 grant a property tax credit under this section for a taxable year unless during the
18 previous taxable year:

19 (i) the dwelling was transferred for consideration to new
20 ownership;

21 (ii) the value of the dwelling was increased due to a change in
22 the zoning classification of the dwelling initiated or requested by the homeowner or
23 anyone having an interest in the property;

24 (iii) the use of the dwelling was changed substantially; [or]

25 (iv) the assessment of the dwelling was clearly erroneous due to
26 an error in calculation or measurement of improvements on the real property; **OR**

27 (V) **THE OCCUPANT OF A HOUSING UNIT AT AN**
28 **INDEPENDENT LIVING RETIREMENT COMMUNITY UNDER A LIFE OCCUPANCY**
29 **AGREEMENT THAT RECEIVED THE CREDIT UNDER THIS SECTION FOR THE**
30 **PREVIOUS TAXABLE YEAR CEASED TO OCCUPY THE HOUSING UNIT AS A**
31 **PRINCIPAL RESIDENCE.**

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 June 1, 2009, and shall be applicable to all taxable years beginning after June 30,
34 2009.