

CHAPTER 274

(Senate Bill 538)

AN ACT concerning

Property Tax Assessment – Home Improvements

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

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section ~~8-104(e)(1)(iii), 9-105(a)(5), 9-109(b), and 9-243(e)~~ 8-104(c)(1)(iii)

Annotated Code of Maryland

(2007 Replacement Volume and 2008 Supplement)

~~BY repealing and reenacting, without amendments,~~

~~Article – Tax – Property~~

~~Section 9-105(a)(2)~~

~~Annotated Code of Maryland~~

~~(2007 Replacement Volume and 2008 Supplement)~~

~~BY repealing~~

~~Article – Tax – Property~~

~~Section 9-105(e)(5)(iv)~~

~~Annotated Code of Maryland~~

~~(2007 Replacement Volume and 2008 Supplement)~~

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

Article – Tax – Property

8-104.

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

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

~~9-105.~~

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

~~1. a house that is:~~

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

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

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

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

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

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

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

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

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

~~9-109.~~

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

~~9-243.~~

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

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

Approved by the Governor, May 7, 2009.