

SENATE BILL 232

Q1

0lr1598

By: **Senators Brinkley, Astle, Haines, Jacobs, and Mooney**

Introduced and read first time: January 22, 2010

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Homestead Tax Credit – Extension to Second Property**

3 FOR the purpose of extending the homestead property tax credit to a second dwelling
4 under certain circumstances; providing for the application of this Act; and
5 generally relating to the homestead property tax credit.

6 BY repealing and reenacting, without amendments,
7 Article – Tax – Property
8 Section 9–105(a)(1) through (4), (b), and (d)(2)
9 Annotated Code of Maryland
10 (2007 Replacement Volume and 2009 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Tax – Property
13 Section 9–105(d)(3)
14 Annotated Code of Maryland
15 (2007 Replacement Volume and 2009 Supplement)

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

18 **Article – Tax – Property**

19 9–105.

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

21 (2) (i) “Dwelling” means:

22 1. a house that is:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

7 (ii) “Dwelling” includes:

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

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

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

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

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

19 (i) as a sole owner;

20 (ii) as a joint tenant;

21 (iii) as a tenant in common;

22 (iv) as a tenant by the entireties;

23 (v) through membership in a cooperative;

24 (vi) under a land installment contract, as defined in § 10–101 of
25 the Real Property Article; or

26 (vii) as a holder of a life estate.

27 (b) If there is an increase in property assessment as calculated under this
28 section, the State and the governing body of each county and of each municipal
29 corporation shall grant a property tax credit under this section against the State,
30 county, and municipal corporation property tax imposed on real property by the State,
31 county, or municipal corporation.

1 (d) (2) A homeowner must actually reside in the dwelling by July 1 of the
2 taxable year for which the property tax credit under this section is to be allowed.

3 (3) (I) [A] EXCEPT AS OTHERWISE PROVIDED IN
4 SUBPARAGRAPH (II) OF THIS PARAGRAPH, A homeowner may claim a property tax
5 credit under this section for only 1 dwelling.

6 (II) A HOMEOWNER MAY CLAIM A PROPERTY TAX CREDIT
7 UNDER THIS SECTION FOR A SECOND DWELLING IF:

8 1. THE SECOND DWELLING IS AT LEAST 90 MILES
9 AWAY FROM THE FIRST DWELLING FOR WHICH A PROPERTY TAX CREDIT UNDER
10 THIS SECTION APPLIES; AND

11 2. THE HOMEOWNER SATISFIES ALL OTHER
12 ELIGIBILITY CRITERIA UNDER THIS SECTION.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 June 1, 2010, and shall be applicable to all taxable years beginning after June 30,
15 2010.