

SENATE BILL 630

Q1

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By: **Senator Muse**

Introduced and read first time: February 5, 2010

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Taxes – Homestead Property Tax Credit – Notification and**
3 **Recoupment**

4 FOR the purpose of requiring that a certain form developed by the State Real Estate
5 Commission contains a certain notice; providing that under certain
6 circumstances the homestead property tax credit may not be denied for certain
7 real property for certain taxable years; providing for the refund of certain
8 property taxes paid under certain circumstances; and generally relating to
9 certain property taxes.

10 BY repealing and reenacting, without amendments,
11 Article – Real Property
12 Section 10–702(b) and (f)
13 Annotated Code of Maryland
14 (2003 Replacement Volume and 2009 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Real Property
17 Section 10–702(c)
18 Annotated Code of Maryland
19 (2003 Replacement Volume and 2009 Supplement)

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

22 **Article – Real Property**

23 10–702.

24 (b) (1) This section applies only to single family residential real property
25 improved by four or fewer single family units.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) This section does not apply to:

2 (i) The initial sale of single family residential real property:

3 1. That has never been occupied; or

4 2. For which a certificate of occupancy has been issued
5 within 1 year before the vendor and purchaser enter into a contract of sale;

6 (ii) A transfer that is exempt from the transfer tax under §
7 13–207 of the Tax – Property Article, except land installment contracts of sale under §
8 13–207(a)(11) of the Tax – Property Article and options to purchase real property
9 under § 13–207(a)(12) of the Tax – Property Article;

10 (iii) A sale by a lender or an affiliate or subsidiary of a lender
11 that acquired the real property by foreclosure or deed in lieu of foreclosure;

12 (iv) A sheriff’s sale, tax sale, or sale by foreclosure, partition, or
13 by court appointed trustee;

14 (v) A transfer by a fiduciary in the course of the administration
15 of a decedent’s estate, guardianship, conservatorship, or trust;

16 (vi) A transfer of single family residential real property to be
17 converted by the buyer into a use other than residential use or to be demolished; or

18 (vii) A sale of unimproved real property.

19 (c) (1) A vendor of single family residential real property shall complete
20 and deliver to each purchaser:

21 (i) A written residential property condition disclosure
22 statement on a form provided by the State Real Estate Commission; or

23 (ii) A written residential property disclaimer statement on a
24 form provided by the State Real Estate Commission.

25 (2) **(I)** The State Real Estate Commission shall develop by
26 regulation a single standardized form that includes the residential property condition
27 disclosure and disclaimer statements required by this subsection.

28 **(II) THE FORM DEVELOPED UNDER SUBPARAGRAPH (I) OF**
29 **THIS PARAGRAPH SHALL INCLUDE THE FOLLOWING STATEMENT:**

1 **“DUE TO A VARIETY OF MARYLAND PROPERTY TAX CREDIT PROGRAMS,**
2 **THE BUYER’S PROPERTY TAX BILL MAY BE SIGNIFICANTLY DIFFERENT THAN**
3 **THE TAX BILL PAID PREVIOUSLY BY THE SELLER OF THE PROPERTY. BUYERS**
4 **SHOULD CONTACT THE LOCAL GOVERNMENT FOR AN ESTIMATE OF THIS**
5 **PROPERTY TAX OBLIGATION.”**

6 (f) (1) Except as provided in paragraphs (2) and (3) of this subsection, the
7 vendor shall deliver the completed disclosure or disclaimer statement required by this
8 section to the purchaser on or before entering into a contract of sale by the vendor and
9 the purchaser.

10 (2) The disclosure or disclaimer statement shall be delivered to each
11 purchaser before the execution of the contract of sale by the purchaser in the case of a
12 land installment contract, as defined in § 10–101 of this title.

13 (3) The disclosure or disclaimer statement shall be delivered to each
14 purchaser before the execution by the purchaser of an option to purchase agreement or
15 a lease agreement containing an option to purchase provision.

16 (4) At the time the disclosure or disclaimer statement is delivered,
17 each purchaser shall date and sign a written acknowledgment of receipt, which shall
18 be included in or attached to the contract of sale.

19 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any
20 other provision of law, for any taxable year beginning after June 30, 2007:

21 (a) (1) Except as provided in paragraph (2) of this subsection, if the
22 homestead property tax credit under § 9–105 of the Tax – Property Article was
23 originally granted against the property tax imposed on real property for the taxable
24 year, the credit may not be later denied for the real property for that taxable year
25 because the credit was erroneously or mistakenly granted.

26 (2) Paragraph (1) of this subsection does not apply if the owner of the
27 real property, before the beginning of the taxable year for which the homestead
28 property tax credit was erroneously or mistakenly granted:

29 (i) affirmatively misrepresented any fact establishing eligibility
30 for the credit; or

31 (ii) received a Homestead Tax Credit Eligibility Application
32 Form from the Department, whether or not the owner submitted the application to the
33 Department.

34 (b) A property owner who has paid additional property tax before the
35 effective date of this Act as the result of the denial of the homestead property tax
36 credit under circumstances prohibited under subsection (a) of this section is entitled to
37 a refund of the additional taxes paid as a result of the denial of the credit.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2010.