

# SENATE BILL 525

Q1, D4

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CF HB 565

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By: **Senators King, Garagiola, Manno, Peters, and Robey**

Introduced and read first time: February 3, 2012

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Homestead Property Tax Credit – Eligibility – Child Support Payments**

3 FOR the purpose of authorizing the Child Support Enforcement Administration to  
4 send a certain certification to the State Department of Assessments and  
5 Taxation concerning certain child support obligors; requiring the  
6 Administration to send a certain notice to certain obligors; providing for the  
7 right of an obligor to challenge the Administration’s certification by requesting  
8 an investigation within a certain time frame; requiring the Administration to  
9 conduct a certain investigation and notify the obligor of the outcome; requiring  
10 the Administration to correct a certain amount under certain circumstances;  
11 authorizing the Administration and obligor to negotiate a payment plan;  
12 prohibiting the Administration from notifying the Department under certain  
13 circumstances; requiring the Department to revoke the homestead property tax  
14 credit of certain homeowners under certain circumstances; prohibiting the  
15 Department from revoking the homestead property tax credit under certain  
16 circumstances; authorizing the Administration and the Department to adopt  
17 certain regulations; providing for the application of this Act; providing for a  
18 delayed effective date; and generally relating to eligibility of certain child  
19 support obligors for the homestead property tax credit.

20 BY adding to

21 Article – Family Law  
22 Section 10–113.3  
23 Annotated Code of Maryland  
24 (2006 Replacement Volume and 2011 Supplement)

25 BY repealing and reenacting, without amendments,

26 Article – Tax – Property  
27 Section 9–105(a)(1), (5), and (7) through (9)  
28 Annotated Code of Maryland  
29 (2007 Replacement Volume and 2011 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
2 Article – Tax – Property  
3 Section 9–105(b)(1)  
4 Annotated Code of Maryland  
5 (2007 Replacement Volume and 2011 Supplement)

6 BY adding to  
7 Article – Tax – Property  
8 Section 9–105(i–1)  
9 Annotated Code of Maryland  
10 (2007 Replacement Volume and 2011 Supplement)

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

13 **Article – Family Law**

14 **10–113.3.**

15 **(A) (1) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (B) THROUGH**  
16 **(D) OF THIS SECTION, ON OR BEFORE APRIL 15 OF EACH YEAR, THE**  
17 **ADMINISTRATION MAY CERTIFY TO THE DEPARTMENT OF ASSESSMENTS AND**  
18 **TAXATION ANY OBLIGOR WHO IS IN ARREARS UNDER A CHILD SUPPORT ORDER**  
19 **IF:**

20 **(I) THE AMOUNT OF ARREARS EXCEEDS \$150; AND**

21 **(II) THE ADMINISTRATION IS PROVIDING SERVICES IN THE**  
22 **CASE UNDER TITLE IV, PART D OF THE FEDERAL SOCIAL SECURITY ACT.**

23 **(2) THE CERTIFICATION SHALL INCLUDE:**

24 **(I) THE FULL NAME OF THE OBLIGOR AND ANY OTHER**  
25 **NAME KNOWN TO BE USED BY THE OBLIGOR; AND**

26 **(II) THE ADDRESS AND SOCIAL SECURITY NUMBER OF THE**  
27 **OBLIGOR.**

28 **(B) BEFORE THE ADMINISTRATION SENDS A CERTIFICATION TO THE**  
29 **DEPARTMENT OF ASSESSMENTS AND TAXATION, THE ADMINISTRATION SHALL**  
30 **NOTIFY THE OBLIGOR THAT:**

31 **(1) A CERTIFICATION MAY BE MADE BY THE ADMINISTRATION;**

1           **(2) THE DEPARTMENT OF ASSESSMENTS AND TAXATION MAY**  
2 **REVOKE THE HOMESTEAD PROPERTY TAX CREDIT THAT THE OBLIGOR**  
3 **RECEIVES;**

4           **(3) THE OBLIGOR HAS A RIGHT TO REQUEST AN INVESTIGATION**  
5 **AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION; AND**

6           **(4) THE OBLIGOR MAY CONTACT THE ADMINISTRATION TO**  
7 **NEGOTIATE A PAYMENT PLAN UNDER SUBSECTION (D) OF THIS SECTION.**

8           **(C) (1) WITHIN 30 DAYS OF THE DATE OF THE NOTICE TO THE**  
9 **OBLIGOR UNDER SUBSECTION (B) OF THIS SECTION, AN OBLIGOR WHO**  
10 **DISPUTES THE EXISTENCE OR AMOUNT OF THE ARREARAGE MAY REQUEST THAT**  
11 **THE ADMINISTRATION CONDUCT AN INVESTIGATION OF THE ARREARAGE.**

12           **(2) (I) ON RECEIPT OF A REQUEST FOR INVESTIGATION FROM**  
13 **THE OBLIGOR, THE ADMINISTRATION SHALL CONDUCT AN INVESTIGATION AS**  
14 **TO THE EXISTENCE OR AMOUNT OF THE ARREARAGE.**

15           **(II) ON COMPLETION OF THE INVESTIGATION, THE**  
16 **ADMINISTRATION SHALL NOTIFY THE OBLIGOR OF THE OUTCOME OF THE**  
17 **INVESTIGATION.**

18           **(III) AFTER THE INVESTIGATION, IF THE ADMINISTRATION**  
19 **FINDS THERE IS AN ERROR, THE ADMINISTRATION SHALL CORRECT THE**  
20 **AMOUNT OF THE REPORTED ARREARAGE.**

21           **(IV) IF A CORRECTION RESULTS IN AN AMOUNT OF \$150 OR**  
22 **LESS IN ARREARS, THE ADMINISTRATION MAY NOT MAKE A CERTIFICATION TO**  
23 **THE DEPARTMENT OF ASSESSMENTS AND TAXATION UNDER THIS SECTION.**

24           **(D) (1) WITHIN 30 DAYS OF THE DATE OF THE NOTICE SENT TO THE**  
25 **OBLIGOR UNDER SUBSECTION (B) OF THIS SECTION, AN OBLIGOR MAY CONTACT**  
26 **THE ADMINISTRATION TO NEGOTIATE A PAYMENT PLAN.**

27           **(2) IF THE ADMINISTRATION AND OBLIGOR AGREE TO A PAYMENT**  
28 **PLAN, THE ADMINISTRATION MAY NOT MAKE A CERTIFICATION TO THE**  
29 **DEPARTMENT OF ASSESSMENTS AND TAXATION UNDER THIS SECTION.**

30           **(E) ON RECEIPT OF A CERTIFICATION FROM THE ADMINISTRATION,**  
31 **THE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL REVOKE THE**  
32 **HOMESTEAD PROPERTY TAX CREDIT FOR THE FOLLOWING TAX YEAR AS**  
33 **PROVIDED UNDER § 9-105 OF THE TAX – PROPERTY ARTICLE.**



- 1 (ii) as a joint tenant;
- 2 (iii) as a tenant in common;
- 3 (iv) as a tenant by the entirety;
- 4 (v) through membership in a cooperative;
- 5 (vi) under a land installment contract, as defined in § 10–101 of  
6 the Real Property Article; or
- 7 (vii) as a holder of a life estate.

8 (9) “Taxable assessment” means the assessment on which the property  
9 tax rate was imposed in the preceding taxable year, adjusted by the phased-in  
10 assessment increase resulting from a revaluation under § 8–104(c)(1)(iii) of this  
11 article, less the amount of any assessment on which a property tax credit under this  
12 section is authorized.

13 (b) (1) **[If EXCEPT AS PROVIDED IN SUBSECTION (I–1) OF THIS**  
14 **SECTION, IF** there is an increase in property assessment as calculated under this  
15 section, the State and the governing body of each county and of each municipal  
16 corporation shall grant a property tax credit under this section against the State,  
17 county, and municipal corporation property tax imposed on real property by the State,  
18 county, or municipal corporation.

19 **(I–1) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
20 **PARAGRAPH, ON RECEIPT OF CERTIFICATION FROM THE CHILD SUPPORT**  
21 **ENFORCEMENT ADMINISTRATION UNDER § 10–113.3(A) OF THE FAMILY LAW**  
22 **ARTICLE, THE DEPARTMENT SHALL REVOKE THE PROPERTY TAX CREDIT**  
23 **UNDER THIS SECTION FOR THE HOMEOWNER FOR THE TAXABLE YEAR**  
24 **FOLLOWING THE TAXABLE YEAR IN WHICH THE DEPARTMENT RECEIVED THE**  
25 **CERTIFICATION.**

26 **(II) THE DEPARTMENT MAY NOT REVOKE THE PROPERTY**  
27 **TAX CREDIT UNDER THIS SECTION IF THE PROPERTY IS JOINTLY OWNED BY THE**  
28 **CHILD SUPPORT OBLIGOR AND THE CUSTODIAL PARENT OR THE CUSTODIAL**  
29 **PARENT RESIDES IN THE DWELLING.**

30 **(2) (I) IF THE DEPARTMENT REVOKES THE PROPERTY TAX**  
31 **CREDIT UNDER THIS SECTION FOR A HOMEOWNER UNDER PARAGRAPH (1) OF**  
32 **THIS SUBSECTION, THE HOMEOWNER IS NOT ELIGIBLE FOR THE PROPERTY TAX**  
33 **CREDIT UNDER THIS SECTION UNTIL THE DEPARTMENT RECEIVES A**

1 CERTIFICATION FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION  
2 UNDER § 10-113.3(F) OF THE FAMILY LAW ARTICLE.

3 (II) IF THE DEPARTMENT RECEIVES A CERTIFICATION  
4 FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION UNDER §  
5 10-113.3(F) OF THE FAMILY LAW ARTICLE BEFORE APRIL 15, THE  
6 DEPARTMENT SHALL REINSTATE THE PROPERTY TAX CREDIT FOR THE  
7 FOLLOWING TAX YEAR.

8 (III) IF THE DEPARTMENT RECEIVES A CERTIFICATION  
9 FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION UNDER §  
10 10-113.3(F) OF THE FAMILY LAW ARTICLE ON OR AFTER APRIL 15, THE  
11 DEPARTMENT SHALL:

12 1. REINSTATE THE PROPERTY TAX CREDIT UNDER  
13 THIS SECTION FOR THE SECOND FOLLOWING TAX YEAR; AND

14 2. CALCULATE THE PROPERTY TAX CREDIT UNDER  
15 THIS SECTION AS IF THE CREDIT HAD NOT BEEN REVOKED FOR THE  
16 INTERVENING TAX YEARS.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 June 1, 2013, and shall be applicable to all taxable years beginning after June 30,  
19 2014.