

SENATE BILL 201

Q1, Q2

4lr0596

By: **Senators Ferguson, Conway, Jones–Rodwell, McFadden, and Pugh**

Introduced and read first time: January 16, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Homestead Property Tax Credit – Transfer to Newly**
3 **Purchased Dwelling**

4 FOR the purpose of allowing the owner of a dwelling located in Baltimore City that
5 receives the homestead property tax credit to transfer up to an equivalent credit
6 amount to a newly purchased dwelling located in Baltimore City; providing for
7 the application of this Act; and generally relating to the homestead property tax
8 credit.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – Property
11 Section 9–105(a)(1), (5), and (7), (b), and (d)(3)
12 Annotated Code of Maryland
13 (2012 Replacement Volume and 2013 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – Property
16 Section 9–105(d)(1)
17 Annotated Code of Maryland
18 (2012 Replacement Volume and 2013 Supplement)

19 BY adding to
20 Article – Tax – Property
21 Section 9–105(d)(7)
22 Annotated Code of Maryland
23 (2012 Replacement Volume and 2013 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 (5) (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 (7) “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 (b) (1) If there is an increase in property assessment as calculated under
23 this section, the State and the governing body of each county and of each municipal
24 corporation shall grant a property tax credit under this section against the State,
25 county, and municipal corporation property tax imposed on real property by the State,
26 county, or municipal corporation.

27 (2) A property tax credit granted under this section shall be applicable
28 to any State, county, or municipal corporation property tax and any property tax
29 imposed for a bicounty commission.

30 (d) (1) Subject to the provisions of paragraph (6) of this subsection **AND**
31 **EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (7) OF THIS SUBSECTION**, the
32 Department shall authorize and the State, a county, or a municipal corporation shall

1 grant a property tax credit under this section for a taxable year unless during the
2 previous taxable year:

3 (i) the dwelling was transferred for consideration to new
4 ownership;

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

8 (iii) the use of the dwelling was changed substantially; or

9 (iv) the assessment of the dwelling was clearly erroneous due to
10 an error in calculation or measurement of improvements on the real property.

11 (3) A homeowner may claim a property tax credit under this section
12 for only 1 dwelling.

13 **(7) A HOMEOWNER WHO RECEIVES A CREDIT UNDER THIS**
14 **SECTION FOR A DWELLING LOCATED IN BALTIMORE CITY MAY TRANSFER UP TO**
15 **AN EQUIVALENT CREDIT AMOUNT TO A NEWLY PURCHASED DWELLING LOCATED**
16 **IN BALTIMORE CITY.**

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