

HOUSE BILL 335

Q1, Q2

5lr0845

By: **Delegates Lafferty and Rosenberg**

Introduced and read first time: February 5, 2015

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Credits for Property in Neighborhood Conservation Area**

3 FOR the purpose of establishing a property tax credit against the State property tax
4 imposed on certain real property located in a neighborhood conservation area under
5 certain circumstances; establishing the amount of the property tax credit subject to
6 a certain limitation; authorizing the Department of Assessments and Taxation to
7 establish certain procedures; altering the years in which certain properties must be
8 purchased in order to qualify for a certain county or municipal corporation property
9 tax credit for certain owner-occupied, residential real property in certain designated
10 areas; altering the criteria used by the Department of Housing and Community
11 Development to adopt regulations that establish application procedures for the
12 designation of certain neighborhood conservation areas; providing for the application
13 of this Act; and generally relating to property tax credits for property located in a
14 neighborhood conservation area.

15 BY adding to

16 Article – Tax – Property

17 Section 9-110

18 Annotated Code of Maryland

19 (2012 Replacement Volume and 2014 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Tax – Property

22 Section 9-255

23 Annotated Code of Maryland

24 (2012 Replacement Volume and 2014 Supplement)

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

27 **Article – Tax – Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **9-110.**

2 (A) IF THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE
3 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION GRANTS A PROPERTY
4 TAX CREDIT FOR REAL PROPERTY LOCATED IN A NEIGHBORHOOD CONSERVATION
5 AREA UNDER § 9-255 OF THIS TITLE, THE STATE SHALL GRANT A PROPERTY TAX
6 CREDIT UNDER THIS SECTION AGAINST THE STATE PROPERTY TAX IMPOSED ON
7 THAT REAL PROPERTY.

8 (B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, A PROPERTY TAX
9 CREDIT GRANTED UNDER THIS SECTION SHALL BE EQUAL TO THE PROPERTY TAX
10 CREDIT GRANTED UNDER § 9-255 OF THIS TITLE.

11 (C) A PROPERTY TAX CREDIT GRANTED UNDER THIS SECTION MAY NOT
12 EXCEED THE STATE PROPERTY TAX IMPOSED ON THE REAL PROPERTY.

13 (D) THE DEPARTMENT MAY ESTABLISH PROCEDURES NECESSARY TO
14 CARRY OUT THIS SECTION.

15 9-255.

16 (a) (1) The Mayor and City Council of Baltimore City or the governing body of
17 a county or municipal corporation may grant, by law, a property tax credit under this
18 section against the county or municipal corporation property tax imposed on
19 owner-occupied, residential real property that is purchased from July 1, 2012, through
20 June 30, [2018] 2020, and is located in a neighborhood conservation area established or
21 renewed by application to the Department of Housing and Community Development based
22 on the criteria specified in paragraph (2) of this subsection.

23 (2) The Department of Housing and Community Development shall adopt
24 regulations that establish application procedures for the designation of a neighborhood
25 conservation area based on:

26 (i) the concentration of foreclosure activity;

27 (ii) the concentration of blighted or vacant properties; and

28 (iii) the location within a [priority funding area, with preference
29 given to] sustainable [communities] COMMUNITY under § 6-201 of the Housing and
30 Community Development Article.

31 (b) In order to qualify for the credit under this section:

1 (1) for the 12-month period immediately prior to purchasing the property,
2 the individual's principal residence may not have been located in a neighborhood
3 conservation area designated under this section unless the individual was not an owner of
4 the property that was the individual's principal residence; and

5 (2) the residential real property must have been purchased in conformance
6 with the eligibility requirements for the credit under this section as established by the
7 Mayor and City Council of Baltimore City or the governing body of the county or municipal
8 corporation.

9 (c) The Mayor and City Council of Baltimore City or the governing body of a
10 county or municipal corporation shall provide, by law, for:

11 (1) the amount of the property tax credit authorized under this section for
12 each taxable year after the purchase of the residential real property;

13 (2) the designation of certain geographic areas as neighborhood
14 conservation areas for purposes of the tax credit authorized under this section;

15 (3) any additional limitations on eligibility for the credit under this section;
16 and

17 (4) any other provision necessary to implement the credit under this
18 section.

19 (d) (1) The Mayor and City Council of Baltimore City or the governing body of
20 a county or municipal corporation shall provide, on an annual basis to those individuals
21 qualifying for the property tax credit under this section, a statement certifying qualification
22 for the tax credit and the amount of the tax credit being granted.

23 (2) The statement may be provided on or with the annual property tax bill
24 or in another manner as chosen by the local government.

25 (e) On or before January 1, of the calendar year following the year in which the
26 neighborhood conservation tax credit is initiated, and each January 1 thereafter, a county
27 or municipal corporation that grants a tax credit under this section shall submit a report,
28 in accordance with § 2-1246 of the State Government Article, to the Senate Budget and
29 Taxation Committee and the House Ways and Means Committee that describes:

30 (1) the tax credit program;

31 (2) the designated neighborhood conservation areas;

32 (3) the number of residential properties within neighborhood conservation
33 areas that qualify for the tax credit under this section; and

1 (4) the economic impact of the tax credits granted under this section on the
2 neighborhood conservation areas.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
4 1, 2015, and shall be applicable to all taxable years beginning after June 30, 2015.