

HOUSE BILL 36

Q2

(6lr0612)

ENROLLED BILL

— Ways and Means/Budget and Taxation —

Introduced by ~~Delegate Haynes~~ Baltimore City Delegation

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Rebuilding Baltimore City Communities Act of 2016**

3 FOR the purpose of *exempting certain demolition activities from certain notice*
4 *requirements*; ~~requiring~~ altering the definition of “vacant dwelling” for purposes of
5 certain property tax credits against the property tax imposed on certain vacant
6 dwellings and newly constructed dwellings located in Baltimore City; authorizing
7 the Mayor and City Council of Baltimore City to grant, by law, a certain property tax
8 credit against the property tax imposed on certain property located in certain
9 ~~communities~~ neighborhoods in Baltimore City; establishing the amount and
10 duration of the property tax credit; providing for the eligibility requirements of the
11 property tax credit; requiring the Mayor and City Council of Baltimore City to
12 provide certain procedures for granting the property tax credit; defining certain
13 terms; ~~providing for the application of this Act~~; and generally relating to *certain*
14 *notice requirements for certain demolition activities and* a property tax credit in
15 Baltimore City.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 BY adding to
 2 Article – Economic Development
 3 Section 10–645(m)
 4 Annotated Code of Maryland
 5 (2008 Volume and 2015 Supplement)

6 BY repealing and reenacting, without amendments,
 7 Article – Tax – Property
 8 Section 9–304(c)(1) and (d)(1)(i) and (ii)
 9 Annotated Code of Maryland
 10 (2012 Replacement Volume and 2015 Supplement)

11 BY adding to
 12 Article – Tax – Property
 13 Section 9–304(i)
 14 Annotated Code of Maryland
 15 (2012 Replacement Volume and 2015 Supplement)

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

18 *Article – Economic Development*

19 10–645.

20 (M) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A DEMOLITION OR
 21 PARTIAL DEMOLITION OF A SCHOOL BUILDING UNDER THE BALTIMORE CITY PUBLIC
 22 SCHOOLS’ 10–YEAR PLAN SHALL BE EXEMPT FROM ANY REQUIRED NOTICE TO THE
 23 BALTIMORE CITY COUNCIL OR THE PRESIDENT OF THE BALTIMORE CITY COUNCIL.

24 Article – Tax – Property

25 9–304.

26 (c) (1) In this subsection, “vacant dwelling” means residential real property
 27 that:

28 (i) contains no more than four dwelling units; and

29 (ii) 1. has been cited ~~as vacant and abandoned on a housing or~~
 30 ~~building violation notice for 1 year~~ **WITH A VACANT BUILDING NOTICE**; or

31 2. has been owned by the Mayor and City Council of
 32 Baltimore City for 1 year and is in need of substantial repair to comply with applicable city
 33 codes.

1 (d) (1) (i) In this subsection the following words have the meanings
2 indicated.

3 (ii) 1. “Newly constructed dwelling” means residential real
4 property that has not been previously occupied since its construction and for which the
5 building permit for construction was issued on or after October 1, 1994.

6 2. “Newly constructed dwelling” includes a “vacant dwelling”
7 as defined in subsection (c)(1) of this section that has been rehabilitated in compliance with
8 applicable local laws and regulations and has not been previously occupied since the
9 rehabilitation.

10 (I) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
11 MEANINGS INDICATED.

12 (II) “NEWLY CONSTRUCTED DWELLING” HAS THE MEANING
13 STATED IN SUBSECTION (D) OF THIS SECTION.

14 (III) “VACANT DWELLING” HAS THE MEANING STATED IN
15 SUBSECTION (C) OF THIS SECTION.

16 (2) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY ~~SHALL~~ MAY
17 GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SUBSECTION AGAINST THE
18 COUNTY PROPERTY TAX IMPOSED ON REAL PROPERTY THAT:

19 (I) IS LOCATED IN ANY ~~COMMUNITY~~ NEIGHBORHOOD THAT THE
20 BALTIMORE CITY HOUSING DEPARTMENT DETERMINES HAS A VACANT DWELLING
21 RATE OF AT LEAST 35% FOR EACH OF THE PRIOR 3 YEARS; AND

22 (II) IS OWNED BY QUALIFYING OWNERS OF A VACANT OR NEWLY
23 CONSTRUCTED DWELLING.

24 (3) A PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION
25 SHALL BE:

26 ~~(I)~~ UP TO 100% OF THE PROPERTY TAX IMPOSED ON THE VALUE
27 OF THE IMPROVEMENTS FOR THE FIRST 10 TAXABLE YEARS IN WHICH THE
28 PROPERTY QUALIFIES FOR THE TAX CREDIT;

29 ~~(II) 88% FOR THE 11TH TAXABLE YEAR IN WHICH THE~~
30 ~~PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

31 ~~(III) 76% FOR THE 12TH TAXABLE YEAR IN WHICH THE~~
32 ~~PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

1 ~~(IV) 64% FOR THE 13TH TAXABLE YEAR IN WHICH THE~~
 2 ~~PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

3 ~~(V) 52% FOR THE 14TH TAXABLE YEAR IN WHICH THE~~
 4 ~~PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

5 ~~(VI) 40% FOR THE 15TH TAXABLE YEAR IN WHICH THE~~
 6 ~~PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

7 ~~(VII) 28% FOR THE 16TH TAXABLE YEAR IN WHICH THE~~
 8 ~~PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

9 ~~(VIII) 16% FOR THE 17TH TAXABLE YEAR IN WHICH THE~~
 10 ~~PROPERTY QUALIFIES FOR THE TAX CREDIT; AND~~

11 ~~(IX) 0% FOR EACH TAXABLE YEAR THEREAFTER.~~

12 (4) OWNERS OF VACANT OR NEWLY CONSTRUCTED DWELLINGS MAY
 13 QUALIFY FOR THE TAX CREDIT AUTHORIZED UNDER THIS SUBSECTION BY:

14 (I) 1. ~~A.~~ SUBSTANTIALLY REHABILITATING A VACANT
 15 DWELLING IN COMPLIANCE WITH THE CODE AND LAWS APPLIED TO DWELLINGS;
 16 ~~AND~~

17 ~~B. OCCUPYING THE DWELLING AFTER REHABILITATION~~
 18 ~~AS THEIR PRINCIPAL RESIDENCE; OR~~

19 2. A. PURCHASING A NEWLY CONSTRUCTED
 20 DWELLING; AND

21 B. OCCUPYING THE NEWLY CONSTRUCTED DWELLING AS
 22 THEIR PRINCIPAL RESIDENCE; AND

23 (II) FILING A STATE INCOME TAX RETURN DURING THE PERIOD
 24 OF THE TAX CREDIT AS A RESIDENT OF BALTIMORE CITY.

25 (5) NOTWITHSTANDING PARAGRAPH (4) OF THIS SUBSECTION, A
 26 COMMUNITY DEVELOPMENT CORPORATION OR A DEVELOPER MAY QUALIFY FOR
 27 THE TAX CREDIT UNDER THIS SUBSECTION IF THE COMMUNITY DEVELOPMENT
 28 CORPORATION OR DEVELOPER PURCHASES THE DWELLING TO BE USED AS
 29 RESIDENTIAL RENTAL PROPERTY.

1 **(6) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY SHALL**
2 **PROVIDE FOR PROCEDURES NECESSARY AND APPROPRIATE FOR THE SUBMISSION**
3 **OF AN APPLICATION FOR AND THE GRANTING OF A PROPERTY TAX CREDIT UNDER**
4 **THIS SUBSECTION.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June~~
6 October 1, 2016, ~~and shall be applicable to all taxable years beginning after June 30, 2016~~
7 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.