

Chapter 241

(House Bill 1323)

AN ACT concerning

Property Tax – Credit for Revitalization Districts

FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to grant, by law, a property tax credit against the county or municipal corporation property tax imposed on a dwelling that is located in a certain revitalization district and is owned by a homeowner who, on or after a certain date, made certain substantial improvements to the dwelling that cause the dwelling to be reassessed at a higher value; requiring the credit to equal the amount of the county or municipal corporation property tax attributable to the improvements made to the property multiplied by a certain percentage; providing that if ownership of a dwelling is transferred the grantee is eligible to claim the property tax credit in the same manner as the grantor under certain circumstances; requiring the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to define revitalization districts for purposes of the tax credit; authorizing the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to provide for certain matters relating to the tax credit; providing for the application of this Act; defining certain terms; and generally relating to a property tax credit for dwellings located in revitalization districts that have undergone substantial improvements.

BY adding to

Article – Tax – Property

Section 9–259

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

Article – Tax – Property

9–259.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DWELLING” HAS THE MEANING STATED IN § 9–105 OF THIS TITLE.

(3) “HOMEOWNER” HAS THE MEANING STATED IN § 9-105 OF THIS TITLE.

(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON A DWELLING THAT IS:

(1) LOCATED IN A REVITALIZATION DISTRICT;

(2) OWNED BY A HOMEOWNER WHO, ON OR AFTER JUNE 1, 2017, MADE SUBSTANTIAL IMPROVEMENTS TO THE DWELLING IN COMPLIANCE WITH THE CODE AND LAWS APPLIED TO DWELLINGS; AND

(3) REASSESSED AT A HIGHER VALUE.

(C) THE TAX CREDIT UNDER THIS SECTION SHALL EQUAL THE AMOUNT OF COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON THE INCREASED VALUE OF THE DWELLING SINCE THE LAST REASSESSMENT THAT IS ATTRIBUTABLE TO THE IMPROVEMENTS MADE TO THE PROPERTY, MULTIPLIED BY:

(1) 100% FOR THE FIRST TAXABLE YEAR FOLLOWING THE FIRST REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

(2) 80% FOR THE SECOND TAXABLE YEAR FOLLOWING THE FIRST REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

(3) 60% FOR THE THIRD TAXABLE YEAR FOLLOWING THE FIRST REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

(4) 40% FOR THE FOURTH TAXABLE YEAR FOLLOWING THE FIRST REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

(5) 20% FOR THE FIFTH TAXABLE YEAR FOLLOWING THE FIRST REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE; AND

(6) 0% FOR EACH TAXABLE YEAR THEREAFTER.

(D) IF OWNERSHIP OF A DWELLING THAT IS ELIGIBLE FOR A TAX CREDIT UNDER THIS SECTION IS TRANSFERRED, THE GRANTEE IS ELIGIBLE FOR THE BALANCE OF THE PROPERTY TAX CREDIT UNDER THIS SECTION IN THE SAME MANNER AND UNDER THE SAME CONDITIONS AS THE GRANTOR OF THE PROPERTY.

(E) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION SHALL DEFINE, BY LAW, REVITALIZATION DISTRICTS FOR PURPOSES OF THE TAX CREDIT UNDER THIS SECTION.

(F) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE, BY LAW, FOR:

(1) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT UNDER THIS SECTION;

(2) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND

(3) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX CREDIT.

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

Approved by the Governor, April 18, 2017.