

# HOUSE BILL 1173

C8, Q2, Q3

9lr2539

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By: **Delegate Rosenberg**

Introduced and read first time: February 8, 2019

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City Police Officers – Incentives for Purchase of Dwelling in**  
3 **Baltimore City**

4 FOR the purpose of establishing the Baltimore City Police Officer Down Payment  
5 Assistance Program in the Department of Housing and Community Development;  
6 requiring an eligible officer who participates in the Program to enter into an  
7 agreement with the Department under which the eligible officer agrees to save a  
8 specified amount toward down payment and closing costs for the purchase of a  
9 dwelling in Baltimore City; requiring an agreement to include certain provisions;  
10 requiring the Department to contribute a certain amount of matching funds toward  
11 down payment and closing costs for the purchase of a dwelling by an eligible officer;  
12 requiring the Department to disburse matching funds at a certain time; requiring  
13 the Department to allow an eligible officer to save a certain amount of money toward  
14 down payment and closing costs through a system of payroll deduction; providing  
15 that an eligible officer who has saved money for down payment and closing costs  
16 before entering the Program is eligible for matching funds from the Department;  
17 establishing the Baltimore City Police Officer Deferred Payment Loan Program in  
18 the Department; requiring the Department to provide an eligible officer who  
19 participates in the Program with a deferred payment loan not exceeding a certain  
20 amount to assist in financing the purchase of a dwelling located in Baltimore City;  
21 providing that payment of the principal on a deferred payment loan may be deferred  
22 until a certain time; authorizing a deferred payment loan to be secured in a certain  
23 manner; authorizing the Department to charge interest on a deferred payment loan  
24 under certain circumstances; allowing an eligible officer who purchases a dwelling  
25 in Baltimore City to claim a credit against the State income tax for certain taxable  
26 years; providing that the income tax credit may not exceed a certain amount;  
27 prohibiting the unused amount of the credit from being carried over to any other  
28 taxable year; authorizing the Mayor and City Council of Baltimore City to grant, by  
29 law, a property tax credit against the county property tax imposed on a dwelling that  
30 is owned by an eligible officer; requiring the property tax credit to equal certain  
31 amounts in certain taxable years; authorizing the Mayor and City Council of

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Baltimore City to provide, by law, for certain matters relating to the property tax  
2 credit; requiring the Department to adopt certain regulations; defining certain  
3 terms; providing for the application of certain provisions of this Act; providing for  
4 the effective dates of this Act; and generally relating to providing incentives for  
5 Baltimore City police officers to purchase a dwelling in Baltimore City.

6 BY adding to

7 Article – Housing and Community Development

8 Section 4–3A–01 through 4–3A–06 to be under the new subtitle “Subtitle 3A.

9 Baltimore City Police Officer Down Payment Assistance Program”; and

10 4–8A–01 through 4–8A–04 to be under the new subtitle “Subtitle 8A.

11 Baltimore City Police Officer Deferred Payment Loan Program”

12 Annotated Code of Maryland

13 (2006 Volume and 2018 Supplement)

14 BY adding to

15 Article – Tax – General

16 Section 10–749

17 Annotated Code of Maryland

18 (2016 Replacement Volume and 2018 Supplement)

19 BY adding to

20 Article – Tax – Property

21 Section 9–304(k)

22 Annotated Code of Maryland

23 (2012 Replacement Volume and 2018 Supplement)

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

26 **Article – Housing and Community Development**

27 **SUBTITLE 3A. BALTIMORE CITY POLICE OFFICER DOWN PAYMENT ASSISTANCE**  
28 **PROGRAM.**

29 **4–3A–01.**

30 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
31 INDICATED.

32 (B) “DWELLING” HAS THE MEANING STATED IN § 9–105 OF THE TAX –  
33 PROPERTY ARTICLE.

34 (C) “ELIGIBLE OFFICER” MEANS A LAW ENFORCEMENT OFFICER WHO:

35 (1) IS A SWORN MEMBER OF AND EMPLOYED FULL TIME BY THE

1 **BALTIMORE CITY POLICE DEPARTMENT; AND**

2 **(2) HAS NOT PREVIOUSLY OWNED A DWELLING IN BALTIMORE CITY.**

3 **(D) "MATCHING FUNDS" MEANS A CONTRIBUTION MADE BY THE**  
4 **DEPARTMENT TOWARD THE DOWN PAYMENT AND CLOSING COSTS OF AN ELIGIBLE**  
5 **OFFICER FOR THE PURCHASE OF A DWELLING.**

6 **(E) "PROGRAM" MEANS THE BALTIMORE CITY POLICE OFFICER DOWN**  
7 **PAYMENT ASSISTANCE PROGRAM.**

8 **4-3A-02.**

9 **(A) AN ELIGIBLE OFFICER WHO PARTICIPATES IN THE PROGRAM SHALL**  
10 **ENTER INTO AN AGREEMENT WITH THE DEPARTMENT UNDER WHICH THE ELIGIBLE**  
11 **OFFICER AGREES TO SAVE A SPECIFIED AMOUNT OF MONEY TO BE APPLIED TOWARD**  
12 **THE DOWN PAYMENT AND CLOSING COSTS FOR THE PURCHASE OF A DWELLING**  
13 **LOCATED IN BALTIMORE CITY.**

14 **(B) THE AGREEMENT SHALL INCLUDE:**

15 **(1) THE AMOUNT OF MONEY TO BE SAVED BY THE ELIGIBLE OFFICER**  
16 **AND THE PERIOD OF TIME DURING WHICH THE SAVINGS WILL BE ACCOMPLISHED;**

17 **(2) A PROVISION FOR AMENDMENT OR TERMINATION OF THE**  
18 **AGREEMENT;**

19 **(3) A PENALTY FOR WITHDRAWAL OF FUNDS OR TERMINATION OF THE**  
20 **AGREEMENT BEFORE SETTLEMENT OF THE LOAN FOR THE PURCHASE OF A**  
21 **DWELLING;**

22 **(4) A PROCEDURE FOR REFUND TO THE DEPARTMENT OF THE**  
23 **AMOUNT OF MATCHING FUNDS CONTRIBUTED BY THE DEPARTMENT ON BEHALF OF**  
24 **AN ELIGIBLE OFFICER WHO HAS WITHDRAWN FROM THE AGREEMENT, TERMINATED**  
25 **THE AGREEMENT, OR OTHERWISE FAILED TO PURCHASE A DWELLING;**

26 **(5) THE AMOUNT OF MATCHING FUNDS TO BE CONTRIBUTED BY THE**  
27 **DEPARTMENT;**

28 **(6) A REQUIREMENT THAT THE MATCHING FUNDS CONTRIBUTED BY**  
29 **THE DEPARTMENT SHALL BE USED ONLY FOR THE PURCHASE OF A DWELLING IN**  
30 **BALTIMORE CITY; AND**

1           **(7) ANY OTHER PROVISION THAT THE DEPARTMENT CONSIDERS**  
2 **NECESSARY.**

3 **4-3A-03.**

4           **(A) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, FOR EACH**  
5 **INCREMENT OF \$2,500 THAT AN ELIGIBLE OFFICER SAVES TOWARD THE DOWN**  
6 **PAYMENT AND CLOSING COSTS FOR THE PURCHASE OF A DWELLING, THE**  
7 **DEPARTMENT SHALL CONTRIBUTE MATCHING FUNDS OF \$1,500.**

8           **(2) AN ELIGIBLE OFFICER MAY NOT RECEIVE MORE THAN \$15,000 IN**  
9 **MATCHING FUNDS.**

10           **(B) THE DEPARTMENT SHALL DISBURSE MATCHING FUNDS TO AN ELIGIBLE**  
11 **OFFICER AT THE TIME OF SETTLEMENT FOR A DWELLING.**

12 **4-3A-04.**

13           **THE DEPARTMENT SHALL ESTABLISH A PROCEDURE TO ALLOW AN ELIGIBLE**  
14 **OFFICER TO SAVE THE AMOUNT OF MONEY SPECIFIED IN AN AGREEMENT UNDER §**  
15 **4-3A-02 OF THIS SUBTITLE THROUGH A SYSTEM OF PAYROLL DEDUCTIONS.**

16 **4-3A-05.**

17           **AN ELIGIBLE OFFICER WHO HAS SAVED TOWARD THE DOWN PAYMENT AND**  
18 **CLOSING COSTS FOR A DWELLING BEFORE ENTERING THE PROGRAM IS ELIGIBLE**  
19 **FOR MATCHING FUNDS AFTER ENTERING INTO AN AGREEMENT WITH THE**  
20 **DEPARTMENT.**

21 **4-3A-06.**

22           **THE DEPARTMENT SHALL ADOPT REGULATIONS THAT INCLUDE:**

23           **(1) AN APPLICATION PROCEDURE FOR THE PROGRAM;**

24           **(2) STANDARDS FOR ELIGIBILITY AND SELECTION OF APPLICANTS;**  
25 **AND**

26           **(3) ANY ADDITIONAL CONDITIONS ON DOWN PAYMENT ASSISTANCE**  
27 **PROVIDED UNDER THE PROGRAM THAT THE DEPARTMENT CONSIDERS NECESSARY.**

28           **SUBTITLE 8A. BALTIMORE CITY POLICE OFFICER DEFERRED PAYMENT LOAN**  
29 **PROGRAM.**

1 4-8A-01.

2 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
3 INDICATED.

4 (B) "DEFERRED PAYMENT LOAN" MEANS A LOAN FOR WHICH PAYMENT OF  
5 THE PRINCIPAL MAY BE DEFERRED.

6 (C) "DWELLING" HAS THE MEANING STATED IN § 9-105 OF THE TAX -  
7 PROPERTY ARTICLE.

8 (D) "ELIGIBLE OFFICER" MEANS A LAW ENFORCEMENT OFFICER WHO:

9 (1) IS A SWORN MEMBER OF AND EMPLOYED FULL TIME BY THE  
10 BALTIMORE CITY POLICE DEPARTMENT; AND

11 (2) HAS NOT PREVIOUSLY OWNED A DWELLING IN BALTIMORE CITY.

12 (E) "PROGRAM" MEANS THE BALTIMORE CITY POLICE OFFICER  
13 DEFERRED PAYMENT LOAN PROGRAM.

14 4-8A-02.

15 THE DEPARTMENT SHALL PROVIDE AN ELIGIBLE OFFICER WHO  
16 PARTICIPATES IN THE PROGRAM WITH A DEFERRED PAYMENT LOAN NOT  
17 EXCEEDING \$20,000 TO ASSIST IN FINANCING THE PURCHASE OF A DWELLING  
18 LOCATED IN BALTIMORE CITY.

19 4-8A-03.

20 (A) PAYMENT OF THE PRINCIPAL ON A DEFERRED PAYMENT LOAN MAY BE  
21 DEFERRED UNTIL THE DWELLING IS SOLD, TRANSFERRED, OR CEASES TO BE THE  
22 DWELLING OF THE ELIGIBLE OFFICER TO WHOM THE LOAN WAS MADE.

23 (B) A DEFERRED PAYMENT LOAN MAY BE SECURED BY A SECOND DEED OF  
24 TRUST ON THE DWELLING.

25 (C) THE DEPARTMENT MAY CHARGE INTEREST ON THE DEFERRED  
26 PAYMENT LOAN IF THE DWELLING IS SOLD WITHIN 5 YEARS AFTER THE PURCHASE  
27 DATE.

28 4-8A-04.

1           **THE DEPARTMENT SHALL ADOPT REGULATIONS THAT INCLUDE THE**  
2 **FOLLOWING:**

3                   **(1) AN APPLICATION PROCEDURE FOR THE PROGRAM;**

4                   **(2) STANDARDS FOR ELIGIBILITY AND SELECTION OF APPLICANTS;**  
5 **AND**

6                   **(3) ANY ADDITIONAL CONDITIONS UNDER WHICH A DEFERRED**  
7 **PAYMENT LOAN MAY BE MADE THAT THE DEPARTMENT CONSIDERS NECESSARY.**

8           SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
9 as follows:

10                                   **Article – Tax – General**

11 **10-749.**

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

14                   **(2) “DWELLING” HAS THE MEANING STATED IN § 9-105 OF THE TAX –**  
15 **PROPERTY ARTICLE.**

16                   **(3) “ELIGIBLE OFFICER” MEANS A LAW ENFORCEMENT OFFICER**  
17 **WHO:**

18                                   **(I) IS A SWORN MEMBER OF AND EMPLOYED FULL TIME BY THE**  
19 **BALTIMORE CITY POLICE DEPARTMENT; AND**

20                                   **(II) HAS NOT PREVIOUSLY OWNED A DWELLING IN BALTIMORE**  
21 **CITY.**

22           **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN ELIGIBLE OFFICER**  
23 **WHO PURCHASES A DWELLING IN BALTIMORE CITY MAY CLAIM A CREDIT AGAINST**  
24 **THE STATE INCOME TAX FOR THE TAXABLE YEAR IN WHICH THE ELIGIBLE OFFICER**  
25 **PURCHASES THE DWELLING AND FOR EACH OF THE 4 IMMEDIATELY SUCCEEDING**  
26 **TAXABLE YEARS.**

27           **(C) AN ELIGIBLE OFFICER MAY NOT CLAIM A CREDIT UNDER THIS SECTION**  
28 **FOR ANY TAXABLE YEAR IN WHICH THE ELIGIBLE OFFICER DOES NOT OWN A**  
29 **DWELLING IN BALTIMORE CITY.**

1           **(D) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS**  
2 **SECTION MAY NOT EXCEED THE LESSER OF:**

3                           **(I) \$2,000; OR**

4                           **(II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR**  
5 **CALCULATED BEFORE THE APPLICATION OF THE CREDIT ALLOWED UNDER THIS**  
6 **SECTION AND UNDER §§ 10-701 AND 10-701.1 OF THIS SUBTITLE BUT AFTER THE**  
7 **APPLICATION OF ANY OTHER CREDIT ALLOWED UNDER THIS SUBTITLE.**

8                           **(2) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED**  
9 **OVER TO ANY OTHER TAXABLE YEAR.**

10           **(E) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, IN**  
11 **CONSULTATION WITH THE COMPTROLLER, SHALL ADOPT REGULATIONS THAT**  
12 **INCLUDE:**

13                           **(1) A PROCESS TO VERIFY ELIGIBILITY FOR THE TAX CREDIT UNDER**  
14 **THIS SECTION; AND**

15                           **(2) ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS SECTION.**

16           SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
17 as follows:

18   **Article – Tax – Property**

19 9-304.

20           **(K) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**  
21 **MEANINGS INDICATED.**

22                           **(II) “DWELLING” HAS THE MEANING STATED IN § 9-105 OF THIS**  
23 **TITLE.**

24                           **(III) “ELIGIBLE OFFICER” MEANS A LAW ENFORCEMENT**  
25 **OFFICER WHO:**

26   **1. IS A SWORN MEMBER OF AND EMPLOYED FULL TIME**  
27 **BY THE BALTIMORE CITY POLICE DEPARTMENT; AND**

28   **2. HAS NOT PREVIOUSLY OWNED A DWELLING IN**  
29 **BALTIMORE CITY.**

1           **(2) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY**  
2 **GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SUBSECTION AGAINST THE**  
3 **COUNTY PROPERTY TAX IMPOSED ON A DWELLING THAT IS OWNED BY AN ELIGIBLE**  
4 **OFFICER.**

5           **(3) A PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION**  
6 **SHALL EQUAL THE AMOUNT OF COUNTY PROPERTY TAX IMPOSED ON THE**  
7 **DWELLING, LESS THE AMOUNT OF ANY OTHER CREDIT APPLICABLE IN THAT YEAR,**  
8 **MULTIPLIED BY:**

9                   **(I) 80% FOR THE FIRST TAXABLE YEAR IN WHICH THE**  
10 **DWELLING QUALIFIES FOR THE TAX CREDIT;**

11                   **(II) 60% FOR THE SECOND TAXABLE YEAR IN WHICH THE**  
12 **DWELLING QUALIFIES FOR THE TAX CREDIT;**

13                   **(III) 40% FOR THE THIRD TAXABLE YEAR IN WHICH THE**  
14 **DWELLING QUALIFIES FOR THE TAX CREDIT;**

15                   **(IV) 20% FOR THE FOURTH AND FIFTH TAXABLE YEARS IN**  
16 **WHICH THE DWELLING QUALIFIES FOR THE TAX CREDIT; AND**

17                   **(V) 0% FOR EACH TAXABLE YEAR THEREAFTER.**

18           **(4) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY**  
19 **ESTABLISH, BY LAW:**

20                   **(I) ADDITIONAL ELIGIBILITY REQUIREMENTS FOR ELIGIBLE**  
21 **OFFICERS TO QUALIFY FOR THE TAX CREDIT;**

22                   **(II) PROCEDURES FOR GRANTING A PARTIAL TAX CREDIT FOR A**  
23 **DWELLING THAT QUALIFIES FOR THE TAX CREDIT FOR LESS THAN A FULL TAXABLE**  
24 **YEAR;**

25                   **(III) REGULATIONS AND PROCEDURES FOR THE APPLICATION**  
26 **AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND**

27                   **(IV) ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS**  
28 **SUBSECTION.**

29           SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take  
30 effect July 1, 2019, and shall be applicable to all taxable years beginning after December  
31 31, 2018.



1           SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take  
2 effect June 1, 2019, and shall be applicable to all taxable years beginning after June 30,  
3 2019.

4           SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in  
5 Sections 4 and 5 of this Act, this Act shall take effect October 1, 2019.