

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1055 (Delegate Long)
Ways and Means

**Homestead Property Tax Credit Program - Notice of Eligibility - Lead Registry
and Code Compliance**

This bill requires the State Department of Assessments and Taxation (SDAT) to include information regarding the lead registry and code compliance with specified notifications about the homestead property tax credit. The required information must state that if the property is used as residential rental property (1) the homeowner must register any property constructed before 1978 with the Maryland Department of the Environment (MDE) in accordance with applicable lead in housing standards and (2) the property must comply with any State or local building and housing codes.

Fiscal Summary

State Effect: None. The bill's notification requirements can be handled by SDAT with existing budgeted resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: SDAT must notify homeowners of the possibility of receiving the homestead property tax credit.

Background: Chapter 114 of 1994 established the Lead Poisoning Prevention Program within MDE. Chapter 114 established a comprehensive plan to regulate compensation for children who are poisoned by lead paint, treat affected residential rental properties to

reduce risks, and limit liability of landlords who act to reduce lead hazards in accordance with various regulatory requirements. If a landlord complies with the regulatory provisions, Chapter 114 provides liability protection, through a qualified offer, by limiting compensation to children who resided in the rental unit to not more than \$7,500 for all medically necessary treatments and to not more than \$9,500 for relocation benefits, for a total of \$17,000. Compliance with Chapter 114 includes having registered with MDE, having implemented all lead risk reduction treatment standards, and having provided notice to tenants about their legal rights and specified lead poisoning prevention information. The liability protection provisions of Chapter 114, however, were rendered invalid by a 2011 Maryland Court of Appeals decision.

State Fiscal Effect: SDAT sends the required homestead property tax credit notice with each annual reassessment notice that is sent to all property owners. The department will send the notice required by the bill to all property owners, including rental property owners, with each annual reassessment notice. The cost for including the new notice can be handled with existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Association of Counties; Maryland Department of the Environment; State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2019
mm/hlb

Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510