

Chapter 420

(House Bill 1076)

AN ACT concerning

Homestead Property Tax Credit – Date of Transfer of Dwelling

FOR the purpose of altering the deadline for a new owner of a dwelling to submit an application to the State Department of Assessments and Taxation requesting that the date of the deed be accepted as the date of transfer of the dwelling for purposes of the homestead tax credit under certain circumstances; providing that property tax is not due on a dwelling for a certain taxable year until a certain period of time after a revised tax bill is sent to the homeowner if the homeowner submits a certain application after a certain date under certain circumstances; requiring a certain notice sent by the Department to certain individuals who acquire residential real property to inform the individual that the individual may apply to the Department to have the date of the deed accepted as the date of transfer of the property for purposes of the homestead credit; and generally relating to the date of transfer of a dwelling for purposes of the homestead property tax credit.

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 9–105(d)(1) through (4)
Annotated Code of Maryland
(2019 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–105(d)(5) and (f)
Annotated Code of Maryland
(2019 Replacement Volume)

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

Article – Tax – Property

9–105.

(d) (1) Subject to the provisions of paragraph (6) of this subsection, the Department shall authorize and the State, a county, or a municipal corporation shall grant a property tax credit under this section for a taxable year unless during the previous taxable year:

- (i) the dwelling was transferred for consideration to new ownership;

(ii) the value of the dwelling was increased due to a change in the zoning classification of the dwelling initiated or requested by the homeowner or anyone having an interest in the property;

(iii) the use of the dwelling was changed substantially; or

(iv) the assessment of the dwelling was clearly erroneous due to an error in calculation or measurement of improvements on the real property.

(2) A homeowner must actually reside in the dwelling by July 1 of the taxable year for which the property tax credit under this section is to be allowed.

(3) A homeowner may claim a property tax credit under this section for only 1 dwelling.

(4) If a property tax credit under this section is less than \$1 in any taxable year, the tax credit may not be granted.

(5) (i) If the dwelling was transferred for consideration in a deed dated on or after January 1 but before the beginning of the next taxable year and the deed was recorded with the clerk of the circuit court or the Department on or after July 1 but before September 1 of the next taxable year, the new owner may submit a written application to the Department on or before September 1 **OF THE SECOND TAXABLE YEAR FOLLOWING THE DATE OF THE DEED** requesting that the date of the deed be accepted by the Department as the date of transfer under paragraph (1) of this subsection.

(ii) 1. The applicant shall submit with the written application a copy of the executed deed evidencing the date of the transfer.

2. If the applicant fails to submit a copy of the executed deed as required under subparagraph 1 of this subparagraph, the Department shall deny the application.

(iii) The date of the transfer under this paragraph is the effective date of the deed as described under § 3-201 of the Real Property Article.

(IV) IF A HOMEOWNER SUBMITS AN ELIGIBLE APPLICATION UNDER THIS PARAGRAPH AFTER MAY 1 OF THE FIRST TAXABLE YEAR FOLLOWING THE DATE OF THE DEED AND THE HOMEOWNER IS DUE TO RECEIVE A REDUCTION IN THE HOMEOWNER'S PROPERTY TAX BILL IN THE SECOND TAXABLE YEAR FOLLOWING THE DATE OF THE DEED AS A RESULT OF THE CREDIT UNDER THIS SECTION, PROPERTY TAX IS NOT DUE ON THE DWELLING FOR THE SECOND TAXABLE YEAR FOLLOWING THE DATE OF THE DEED UNTIL 30 DAYS AFTER A REVISED TAX BILL IS SENT TO THE HOMEOWNER.

(f) (1) The Department shall give notice of the possible property tax credit under this section.

(2) In addition to any other notice the Department provides under this subsection, the Department shall:

(i) identify homeowners who may be eligible but have failed to apply for the property tax credit under this section; and

(ii) include a separate insert with each assessment notice sent under § 8–401 of this article to each homeowner identified under item (i) of this paragraph that informs the homeowner that the homeowner may be eligible for the property tax credit under this section and how to apply for the credit.

(3) In addition to any other notice the Department provides under this subsection, the Department shall mail a notice to each individual who acquires residential real property within a reasonable period of time after the individual:

(i) acquires the property by recorded deed; and

(ii) indicates that the property will be the individual's principal residence on the corresponding land instrument intake sheet described under § 3–104 of the Real Property Article.

(4) The notice required under paragraph (3) of this subsection shall:

(i) inform the individual that the individual may be eligible for the property tax credit under this section; [and]

(ii) contain information on how to apply for the credit; AND

(III) INFORM THE INDIVIDUAL THAT THE INDIVIDUAL MAY APPLY TO THE DEPARTMENT TO HAVE THE DATE OF THE DEED ACCEPTED AS THE DATE OF TRANSFER OF THE PROPERTY FOR PURPOSES OF THE CREDIT AS PROVIDED IN SUBSECTION (D)(5) OF THIS SECTION.

(5) The Department shall ensure that the information it provides under this subsection is accurate and up-to-date.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2020.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 8, 2020.