

HOUSE BILL 610

Q1

1lr1657

By: **Delegate Hill**

Introduced and read first time: January 20, 2021

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 23, 2021

CHAPTER _____

1 AN ACT concerning

2 **Homeowners' Property Tax Credit – ~~Transfer of Dwelling to~~ Eligibility of**
3 **Surviving Family Member**

4 FOR the purpose of altering eligibility for a certain homeowners' property tax credit to
5 include certain surviving family members of a homeowner who stand to inherit the
6 dwelling of the homeowner ~~or are granted a life estate in the dwelling~~ under certain
7 circumstances; altering a certain definition; defining a certain term; ~~making stylistic~~
8 ~~and conforming changes~~; providing for the application of this Act; and generally
9 relating to the homeowners' property tax credit.

10 BY repealing and reenacting, without amendments,
11 Article – Tax – Property
12 Section 9–104(a)(1), (6), and (9)
13 Annotated Code of Maryland
14 (2019 Replacement Volume and 2020 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Tax – Property
17 Section ~~9–104(i) and (j)(1)~~ 9–104(a)(11) and (13)
18 Annotated Code of Maryland
19 (2019 Replacement Volume and 2020 Supplement)

20 BY adding to
21 Article – Tax – Property
22 Section 9–104(a)(13)

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.



1 Annotated Code of Maryland
2 (2019 Replacement Volume and 2020 Supplement)

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

5 **Article – Tax – Property**

6 9–104.

7 (a) (1) In this section the following words have the meanings indicated.

8 (6) “Dwelling” means:

9 (i) for a homeowner who is not a home purchaser, a house that is:

10 1. used as the principal residence of a homeowner and the lot
11 or curtilage on which the house is erected;

12 2. occupied by not more than 2 families; and

13 3. actually occupied or expected to be actually occupied by
14 the homeowner for more than 6 months of a 12–month period, which actual or expected
15 occupancy period shall include July 1 of the taxable year for which the property tax credit
16 under this section is sought; or

17 (ii) for a homeowner who is a home purchaser, a house that is:

18 1. used as the principal residence of a homeowner and the lot
19 or curtilage on which the house is erected;

20 2. occupied by not more than 2 families; and

21 3. actually occupied or expected to be actually occupied by
22 the home purchaser for the remainder of the taxable year for which the property tax credit
23 under this section is sought.

24 (9) (i) “Homeowner” means an individual who:

25 1. on July 1 of the taxable year for which the tax credit is to
26 be allowed:

27 A. actually resides in a dwelling in which the individual has
28 a legal interest; or

29 B. under a court order or separation agreement, permits a
30 spouse, a former spouse, or a child of the individual’s family to reside without payment of

1 rent in a dwelling in which the individual has a legal interest; or

2 2. A. is a home purchaser; and

3 B. actually resides in a dwelling in which the individual has
4 a legal interest, whether or not the individual resides in the dwelling on July 1 of the
5 taxable year for which the tax credit is sought.

6 (ii) "Homeowner" includes a beneficiary of a trust described in 42
7 U.S.C. § 1396p(d)(4), or a trust established for the benefit of an individual with a disability
8 by an individual other than the beneficiary and that is funded with assets that were never
9 owned or controlled by the beneficiary, if, on July 1 of the taxable year for which the tax
10 credit is to be allowed, the beneficiary of the trust is an individual who actually resides in
11 the dwelling.

12 ~~(i) (1) IN THIS SUBSECTION, "FAMILY MEMBER" MEANS THE RELATIVE~~
13 ~~OF A HOMEOWNER BY BLOOD, ADOPTION, OR MARRIAGE.~~

14 ~~(2) [If a surviving spouse of a homeowner has not remarried and meets the~~
15 ~~qualifications except for age or disability, the] THE property tax credit under this section~~
16 ~~is available to [the unmarried].~~

17 ~~(i) A surviving spouse OF A HOMEOWNER, IF THE SURVIVING~~
18 ~~SPOUSE HAS NOT REMARRIED AND MEETS THE QUALIFICATIONS FOR THE CREDIT,~~
19 ~~EXCEPT FOR AGE OR DISABILITY; OR~~

20 ~~(ii) A SURVIVING FAMILY MEMBER WHO MEETS THE~~
21 ~~QUALIFICATIONS FOR THE CREDIT, EXCEPT FOR AGE OR DISABILITY, IF OWNERSHIP~~
22 ~~OF OR A LIFE ESTATE IN THE DWELLING OF THE HOMEOWNER IS TRANSFERRED TO~~
23 ~~THE SURVIVING FAMILY MEMBER;~~

24 ~~1. UNDER THE TERMS OF THE HOMEOWNER'S WILL OR~~
25 ~~TRUST OR A NONPROBATE INSTRUMENT OF WRITING; OR~~

26 ~~2. UNDER THE LAWS OF INTESTATE SUCCESSION.~~

27 ~~(q) (1) (i) Except [for transfers between spouses, including a conveyance to~~
28 ~~a surviving spouse from the personal representative of a deceased spouse] AS PROVIDED~~
29 ~~IN SUBPARAGRAPH (ii) OF THIS PARAGRAPH, if a homeowner transfers a dwelling that~~
30 ~~is subject to a property tax credit under this section, the property tax credit ends on the~~
31 ~~date that the property is transferred.~~

32 ~~(ii) The credit is not ended UNDER THIS PARAGRAPH if the transfer~~
33 ~~is between:~~

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~~1. spouses, INCLUDING A CONVEYANCE TO A SURVIVING SPOUSE FROM THE PERSONAL REPRESENTATIVE OF A DECEASED SPOUSE; OR~~

~~2. A DECEASED HOMEOWNER AND A SURVIVING FAMILY MEMBER TO WHOM OWNERSHIP OF THE DWELLING IS TRANSFERRED AS PROVIDED UNDER SUBSECTION (I) OF THIS SECTION.~~

(11) “Legal interest” includes an interest in a dwelling:

(i) as sole owner;

(ii) as a joint tenant;

(iii) as a tenant in common;

(iv) as a tenant by the entirety;

(v) through membership in a cooperative;

(vi) under a land installment contract, as defined in § 10–101 of the Real Property Article;

(vii) as a holder of a life estate; [or]

(viii) under a continuing care contract for an independent living unit at a continuing care facility for the aged, which means a nontransferable agreement between a continuing care facility for the aged as defined in § 7–206 of this article and an occupant of an independent living unit, which agreement provides that the occupant may reside in the unit until termination under the terms of the contract; OR

(IX) AS A SURVIVING FAMILY MEMBER WHO STANDS TO INHERIT THE DWELLING OF A DECEASED HOMEOWNER UNDER THE TERMS OF:

1. THE DECEASED HOMEOWNER’S WILL OR TRUST OR A NONPROBATE INSTRUMENT OF WRITING; OR

2. UNDER THE LAWS OF INTESTATE SUCCESSION.

(13) “SURVIVING FAMILY MEMBER” MEANS AN INDIVIDUAL RELATED TO A DECEASED HOMEOWNER BY BLOOD, ADOPTION, OR MARRIAGE.

~~[(13)] (14) “Total real property tax” means the product of the sum of all property tax rates on real property, including special district tax rates, for the taxable year on a dwelling, multiplied by the lesser of:~~

(i) \$300,000; or

1 (ii) the assessed value of the dwelling reduced by the amount of any
2 assessment on which a property tax credit is granted under § 9–105 of this subtitle.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
4 1, 2021, and shall be applicable to all taxable years beginning after June 30, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.