

HOUSE BILL 1042

Q2

1lr2740

By: **Delegate Rosenberg**

Introduced and read first time: February 5, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Property Tax Credit – Newly Constructed and Substantially**
3 **Rehabilitated Dwellings**

4 FOR the purpose of authorizing the Mayor and City Council of Baltimore City to grant, by
5 law, a property tax credit against the county property tax imposed on certain newly
6 constructed or substantially rehabilitated dwellings; requiring that the property tax
7 credit be equal to certain amounts in certain taxable years; authorizing the Mayor
8 and City Council of Baltimore City to provide for certain matters relating to the
9 property tax credit; defining certain terms; providing for the application of this Act;
10 and generally relating to a property tax credit in Baltimore City for newly
11 constructed and substantially rehabilitated dwellings.

12 BY adding to
13 Article – Tax – Property
14 Section 9–304(l)
15 Annotated Code of Maryland
16 (2019 Replacement Volume and 2020 Supplement)

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

19 **Article – Tax – Property**

20 9–304.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (III) "ELIGIBLE DWELLING" MEANS:

2 1. A NEWLY CONSTRUCTED DWELLING; OR

3 2. A SUBSTANTIALLY REHABILITATED DWELLING.

4 (IV) "HOMEOWNER" HAS THE MEANING STATED IN § 9-105 OF
5 THIS TITLE.

6 (V) "NEWLY CONSTRUCTED DWELLING" MEANS A DWELLING
7 THAT HAS NOT BEEN PREVIOUSLY OCCUPIED SINCE ITS CONSTRUCTION AND FOR
8 WHICH THE BUILDING PERMIT FOR CONSTRUCTION WAS ISSUED ON OR AFTER JULY
9 1, 2021.

10 (VI) "SUBSTANTIALLY REHABILITATED DWELLING" MEANS A
11 DWELLING THAT, ON OR AFTER JULY 1, 2021, HAS UNDERGONE SUBSTANTIAL
12 REPAIRS, REPLACEMENTS, OR IMPROVEMENTS.

13 (2) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY
14 GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SUBSECTION AGAINST THE
15 COUNTY PROPERTY TAX IMPOSED ON AN ELIGIBLE DWELLING THAT IS:

16 (I) OWNED BY A HOMEOWNER; AND

17 (II) REASSESSED AT A HIGHER VALUE SINCE THE LAST
18 REASSESSMENT.

19 (3) THE AMOUNT OF THE PROPERTY TAX CREDIT UNDER THIS
20 SUBSECTION SHALL EQUAL THE AMOUNT OF COUNTY PROPERTY TAX IMPOSED ON
21 THE INCREASED VALUE OF THE PROPERTY THAT IS DUE TO THE IMPROVEMENTS
22 MADE TO THE PROPERTY, MULTIPLIED BY:

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

25 (II) 90% FOR THE SECOND TAXABLE YEAR FOLLOWING THE
26 FIRST REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

27 (III) 80% FOR THE THIRD TAXABLE YEAR FOLLOWING THE FIRST
28 REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

1 (IV) 70% FOR THE FOURTH TAXABLE YEAR FOLLOWING THE
2 FIRST REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

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

5 (VI) 50% FOR THE SIXTH TAXABLE YEAR FOLLOWING THE FIRST
6 REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

7 (VII) 40% FOR THE SEVENTH TAXABLE YEAR FOLLOWING THE
8 FIRST REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

9 (VIII) 30% FOR THE EIGHTH TAXABLE YEAR FOLLOWING THE
10 FIRST REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

11 (IX) 20% FOR THE NINTH TAXABLE YEAR FOLLOWING THE FIRST
12 REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE;

13 (X) 10% FOR THE TENTH TAXABLE YEAR FOLLOWING THE FIRST
14 REASSESSMENT AFTER THE IMPROVEMENTS ARE MADE; AND

15 (XI) 0% FOR EACH TAXABLE YEAR THEREAFTER.

16 (4) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY
17 PROVIDE, BY LAW, FOR:

18 (I) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT
19 UNDER THIS SUBSECTION;

20 (II) PROCEDURES FOR APPLYING FOR THE TAX CREDIT; AND

21 (III) ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS
22 SUBSECTION.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
24 1, 2021, and shall be applicable to all taxable years beginning after June 30, 2021.