

Chapter 698

(House Bill 805)

AN ACT concerning

Building Homes Act

FOR the purpose of authorizing the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to grant, by law, a tax credit against the county or municipal corporation property tax imposed on certain dwellings that are subject to a mortgage or deed of trust provided by a nonprofit entity and a certain covenant or agreement that ensures affordable pricing of the dwelling; and generally relating to a property tax credit for affordable dwellings.

BY adding to

Article – Tax – Property

Section 9–276

Annotated Code of Maryland

(2019 Replacement Volume and 2025 Supplement)

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

Article – Tax – Property

9–276.

(A) IN THIS SECTION, “DWELLING” HAS THE MEANING STATED IN § 9–105 OF THIS TITLE.

(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON A DWELLING IF THE DWELLING IS SUBJECT TO:

(1) A MORTGAGE OR DEED OF TRUST PROVIDED BY A NONPROFIT ENTITY; AND

(2) A COVENANT OR LEGALLY BINDING AGREEMENT WITH A DURATION OF AT LEAST 20 YEARS THAT ENFORCES INCOME AND EQUITY OR APPRECIATION RESTRICTIONS AND ENSURES AFFORDABLE PRICING OF THE DWELLING, INCLUDING ON RESALE.

(C) THE TAX CREDIT UNDER THIS SECTION SHALL BE IN AN AMOUNT UP TO THE DIFFERENCE BETWEEN THE TAX IMPOSED ON:

(1) THE FULL ASSESSED VALUE OF THE DWELLING; AND

(2) THE PORTION OF THE VALUE OF THE DWELLING THAT THE HOMEOWNER IS RESPONSIBLE FOR PAYING ON THE HOMEOWNER'S FIRST MORTGAGE OR DEED OF TRUST.

(D) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE, BY LAW, FOR:

(1) THE DURATION OF THE TAX CREDIT UNDER THIS SECTION;

(2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT UNDER THIS SECTION;

(3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND

(4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX CREDIT UNDER THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2026, and shall be applicable to all taxable years beginning after June 30, 2026.

Approved by the Governor, May 26, 2026.