

Chapter 718

(House Bill 1148)

AN ACT concerning

Property Taxes – Tax Sales, ~~Heirs~~ Legacy Protection Program, and Tax Credits

FOR the purpose of altering eligibility for certain services and programs offered by the State Tax Sale Ombudsman to include certain persons acting on behalf of a deceased homeowner or an heir or a legatee of a deceased homeowner; establishing ~~an Heirs~~ a Legacy Protection Program administered by the Ombudsman for the purpose of allowing heirs who inherit a dwelling to become the record title holder of the dwelling, preventing tax sales of dwellings inherited by heirs, and allowing heirs to remain in their homes; requiring the Ombudsman to conduct certain outreach, disseminate certain information, and provide certain grants to carry out the ~~Heirs~~ Legacy Protection Program; establishing the ~~Heirs~~ Legacy Protection Fund financed by the State and county governments to provide funding for the ~~Heirs~~ Legacy Protection Program; requiring interest earnings to be credited to the Fund; altering eligibility for the homeowners' and homestead tax credits to include certain heirs who are not shown as the record title holder of a dwelling in the land records of the county for a certain period of time if certain requirements are met; and generally relating to protecting heirs from property tax sales, the ~~Heirs~~ Legacy Protection Program, and the State property tax credit programs.

BY repealing and reenacting, without amendments,
 Article – State Finance and Procurement
 Section 6–226(a)(2)(i) and (ii)
 Annotated Code of Maryland
 (2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
 Article – State Finance and Procurement
 Section 6–226(a)(2)(iii)212. and 213.
 Annotated Code of Maryland
 (2021 Replacement Volume and 2025 Supplement)

BY adding to
 Article – State Finance and Procurement
 Section 6–226(a)(2)(iii)214.
 Annotated Code of Maryland
 (2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
 Article – Tax – Property
 Section 2–112, 9–104(a)(9) through (12), (f), (l), and (u)(1) and 9–105(a)(7) through (9), (d)(6), and (g)

Annotated Code of Maryland
(2019 Replacement Volume and 2025 Supplement)

BY adding to

Article – Tax – Property
Section 2–113, 9–104(a)(9), and 9–105(a)(7)
Annotated Code of Maryland
(2019 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,

Article – Tax – Property
Section 9–104(a)(1) and 9–105(a)(1) and (d)(7) and (8)
Annotated Code of Maryland
(2019 Replacement Volume and 2025 Supplement)

BY repealing

Article – Tax – Property
Section 9–104(a)(13)
Annotated Code of Maryland
(2019 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Chapter 717 of the Acts of the General Assembly of 2024, as amended by Chapters
237, 409, and 410 of the Acts of the General Assembly of 2025
Section 8(87) and (88)

BY adding to

Chapter 717 of the Acts of the General Assembly of 2024, as amended by Chapters
237, 409, and 410 of the Acts of the General Assembly of 2025
Section 8(89)

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

Article – State Finance and Procurement

6–226.

(a) (2) (i) This paragraph does not apply in fiscal years 2024 through 2028.

(ii) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(iii) The provisions of subparagraph (ii) of this paragraph do not apply to the following funds:

212. the Department of Social and Economic Mobility Special Fund; [and]

213. the Population Health Improvement Fund; AND

214. THE ~~HEIRS~~ LEGACY PROTECTION FUND.

Article – Tax – Property

2–112.

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

(2) (I) “Homeowner” has the meaning stated in § 9–105 of this article.

(II) **“HOMEOWNER” INCLUDES:**

1. THE ESTATE OF A DECEASED HOMEOWNER;

2. THE PERSONAL REPRESENTATIVE OF A DECEASED HOMEOWNER; OR

3. AN INDIVIDUAL WHO IS AN HEIR OR LEGATEE OF A DECEASED HOMEOWNER WHO IS ENTITLED TO INHERIT THE DECEASED HOMEOWNER’S DWELLING.

(3) “Tax” has the meaning stated in § 14–801 of this article.

(b) There is a State Tax Sale Ombudsman in the Department.

(c) The Ombudsman:

(1) shall be appointed by the Director;

(2) shall be in the management service of the State Personnel Management System; and

(3) may be removed from office only after a hearing before the Department and a finding of incompetency or other good cause.

(d) The Ombudsman shall:

(1) assist homeowners to understand the process for collection of delinquent taxes;

(2) actively assist homeowners to apply for tax credits, discount programs, and other public benefits that may assist the homeowners to pay delinquent taxes and improve their financial situation;

(3) refer homeowners to legal services, housing counseling, and other social services that may assist homeowners to pay delinquent taxes and improve their financial situation;

(4) maintain a website that functions as a clearinghouse for information concerning:

(i) the process for collection of delinquent taxes; and

(ii) services and programs that are available to assist homeowners to pay delinquent taxes and improve their financial situation; and

(5) maintain a toll-free telephone number that a homeowner may call to obtain individualized personal assistance with delinquent taxes.

(e) A county may, by law, establish a County Tax Sale Ombudsman to fulfill all the responsibilities of the State Tax Sale Ombudsman under subsection (d) of this section with respect to homeowners within the county.

(f) (1) The Ombudsman shall contract with a vendor to operate an installment payment program for the payment of taxes in which any homeowner may enroll.

(2) The installment payment program shall allow a homeowner to:

(i) make advance payments of taxes;

(ii) make payments of taxes currently due; or

(iii) make payments of taxes in arrears.

(3) (i) A homeowner whose dwelling is subject to a deed of trust, a mortgage, or any other encumbrance that includes the escrowing of tax payments may not enroll in the installment payment program for the advance payment of taxes.

(ii) An advance payment of taxes is calculated by applying the current property tax rate to the assessment of the homeowner's property for the prior year.

(iii) If the advance payment is different than the taxes due as finally determined, the vendor shall:

1. bill the homeowner for the unpaid balance; or
2. refund any excess tax paid.

(iv) The failure by a homeowner to make an advance payment under the installment payment program may not be considered to be a failure to pay the property tax when due except as provided under Title 10, Subtitle 1 of this article.

(4) The Ombudsman shall notify the collector to whom the taxes are owed when a homeowner enters into an installment payment plan under this subsection.

(5) If a homeowner is in compliance with the terms of an installment payment plan, the collector may not take action under Title 14, Subtitle 8 of this article to collect any property taxes in arrears that are included in the installment payment plan.

(6) A homeowner is not in compliance with the terms of an installment payment plan if the homeowner fails to make a payment for a period of 90 days after the date the payment is due, or a longer period determined by the Ombudsman.

(7) If a homeowner is not in compliance with the terms of an installment payment plan:

- (i) the Ombudsman:
 1. may terminate the installment payment plan; and
 2. shall notify the collector to whom the taxes are owed; and

(ii) the collector may take action under Title 14, Subtitle 8 of this article to collect any property taxes in arrears that were included in the installment payment plan.

(8) The cost of the contract with the vendor to operate the installment payment program shall be paid entirely by reasonable fees imposed on homeowners enrolled in the program.

2-113.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DWELLING” HAS THE MEANING STATED IN § 9-105 OF THIS ARTICLE.

(3) “HEIR” MEANS AN INDIVIDUAL WHO IS AN HEIR OR A LEGATEE OF A DECEASED HOMEOWNER WHO IS ENTITLED TO INHERIT THE DECEASED HOMEOWNER’S DWELLING.

(4) “HOMEOWNER” HAS THE MEANING STATED IN § 9–105 OF THIS ARTICLE.

(5) “OMBUDSMAN” MEANS THE STATE TAX SALE OMBUDSMAN ESTABLISHED UNDER § 2–112 OF THIS SUBTITLE.

(6) “PROGRAM” MEANS THE ~~HEIRS~~ HEIRS LEGACY PROTECTION PROGRAM ESTABLISHED UNDER THIS SECTION.

(7) “RECORD TITLE HOLDER” MEANS THE PERSON WHO IS LISTED AS THE OWNER OF A DWELLING ON A DEED RECORDED IN THE LAND RECORDS OF THE COUNTY WHERE THE DWELLING IS LOCATED.

(B) (1) THERE IS ~~AN HEIRS~~ A LEGACY PROTECTION PROGRAM ADMINISTERED BY THE OMBUDSMAN IN THE DEPARTMENT.

(2) THE PURPOSE OF THE PROGRAM IS TO:

(I) ALLOW HEIRS WHO INHERIT A DWELLING TO BECOME THE RECORD TITLE HOLDER OF THE DWELLING;

(II) PREVENT TAX SALES OF DWELLINGS INHERITED BY HEIRS;
AND

(III) ALLOW HEIRS TO REMAIN IN THEIR HOMES.

(C) WHEN THE DEPARTMENT RECEIVES INFORMATION THAT A HOMEOWNER WHO WAS GRANTED THE CREDIT UNDER § 9–104 OR § 9–105 OF THIS ARTICLE HAS DIED, THE OMBUDSMAN SHALL SEND A NOTICE BY MAIL TO THE HOMEOWNER’S FORMER DWELLING NOTIFYING ANY HEIR THAT MAY BE RESIDING IN THE DWELLING:

(1) THAT THE HEIR MAY BE ELIGIBLE FOR THE CREDITS UNDER § 9–104 OR § 9–105 OF THIS ARTICLE;

(2) HOW TO APPLY FOR THE CREDITS UNDER § 9-104 OR § 9-105 OF THIS ARTICLE BY COMPLETING AN APPLICATION AND FILING AN AFFIDAVIT OF HEIRSHIP;

(3) WHY IT IS IMPORTANT FOR THE HEIR TO BECOME THE RECORD TITLE HOLDER OF THE DWELLING;

(4) THAT THE HEIR SHOULD CONTACT THE OMBUDSMAN FOR INFORMATION ABOUT HOW TO BECOME THE RECORD TITLE HOLDER OF THE DWELLING; AND

(5) THAT FREE LEGAL SERVICES AND GRANTS MAY BE AVAILABLE TO ASSIST THE HEIR TO BECOME THE RECORD TITLE HOLDER OF THE DWELLING.

(D) IN COLLABORATION WITH THE REGISTERS OF WILLS, THE OMBUDSMAN SHALL:

(1) DEVELOP A BRIEF, EASY-TO-UNDERSTAND, STEP-BY-STEP GUIDE TO PROBATING AN ESTATE AND BECOMING THE RECORD TITLE HOLDER OF A DWELLING; AND

(2) POST THE GUIDE DEVELOPED UNDER ITEM (1) OF THIS SUBSECTION ON THE OMBUDSMAN'S WEBSITE AND PROVIDE THE GUIDE TO HEIRS WHO CONTACT THE OMBUDSMAN.

(E) (1) THE OMBUDSMAN SHALL PROVIDE GRANTS TO QUALIFIED LEGAL SERVICES ORGANIZATIONS FOR THE PURPOSE OF PROVIDING FREE LEGAL ASSISTANCE TO HEIRS TO NAVIGATE THE PROBATE PROCESS AND BECOME THE RECORD TITLE HOLDER OF THEIR DWELLINGS.

(2) THE OMBUDSMAN SHALL DETERMINE:

(I) THE LEGAL SERVICES ORGANIZATIONS TO RECEIVE GRANTS UNDER PARAGRAPH (1) OF THIS SUBSECTION;

(II) THE AMOUNT OF GRANTS TO INDIVIDUAL LEGAL SERVICES ORGANIZATIONS; AND

(III) THE CUMULATIVE AMOUNT OF GRANTS TO AWARD IN EACH FISCAL YEAR.

(3) AN HEIR MAY QUALIFY TO RECEIVE FREE LEGAL ASSISTANCE FROM A LEGAL SERVICES ORGANIZATION THAT RECEIVES A GRANT UNDER

PARAGRAPH (1) OF THIS SUBSECTION IF THE HEIR'S DWELLING IS VALUED AT ~~\$350,000~~ \$450,000 OR LESS, AS SHOWN IN THE RECORDS OF THE DEPARTMENT.

(F) (1) THE OMBUDSMAN SHALL PROVIDE GRANTS DIRECTLY TO HEIRS TO PAY ALL OR PART OF PROBATE FEES UNDER § 2-206 OF THE ESTATES AND TRUSTS ARTICLE OR, INHERITANCE TAXES UNDER TITLE 7, SUBTITLE 2 OF THE TAX – GENERAL ARTICLE, OR ANY OTHER TAX OR FEE THAT AN HEIR MUST PAY TO COMPLETE THE PROBATE PROCESS AND BECOME THE RECORD TITLE HOLDER OF THE HEIR'S DWELLING.

(2) AN HEIR MAY QUALIFY TO RECEIVE A GRANT IF THE HEIR'S DWELLING IS VALUED AT ~~\$350,000~~ \$450,000 OR LESS, AS SHOWN IN THE RECORDS OF THE DEPARTMENT.

(3) THE OMBUDSMAN SHALL DETERMINE:

(I) THE INDIVIDUAL HEIRS TO RECEIVE GRANTS UNDER PARAGRAPH (1) OF THIS SUBSECTION;

(II) THE AMOUNT AND PURPOSE OF GRANTS TO INDIVIDUAL HEIRS; AND

(III) THE CUMULATIVE AMOUNT OF GRANTS TO BE AWARDED TO ALL HEIRS IN EACH FISCAL YEAR.

(4) THE OMBUDSMAN MAY ESTABLISH ADDITIONAL ELIGIBILITY CRITERIA FOR GRANTS THAT PRIORITIZE LOW-INCOME, ELDERLY, AND DISABLED HEIRS.

(G) THE OMBUDSMAN SHALL PROVIDE THE NAME OF EACH HEIR WHO CONTACTS THE OMBUDSMAN AND THE ADDRESS OF THE HEIR'S DWELLING TO THE COUNTY WHERE THE HEIR'S DWELLING IS LOCATED FOR INCLUSION ON THE COUNTY'S REGISTRY OF PROPERTIES TO BE WITHHELD FROM TAX SALE UNDER § 14-811(J) OF THIS ARTICLE.

(H) (1) IN THIS SUBSECTION, "FUND" MEANS THE ~~HEIRS~~ LEGACY PROTECTION FUND.

(2) THERE IS ~~AN HEIRS~~ A LEGACY PROTECTION FUND.

(3) THE PURPOSE OF THE FUND IS TO FINANCE THE PROGRAM.

(4) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(5) (I) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(II) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(6) THE FUND CONSISTS OF:

(I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(II) MONEY PAID BY COUNTY GOVERNMENTS UNDER PARAGRAPH (8) OF THIS SUBSECTION;

(III) INTEREST EARNINGS; AND

(IV) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(7) FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$250,000 OF THE INTEREST ON OVERDUE STATE PROPERTY TAX TO THE FUND.

(8) (I) FOR EACH FISCAL YEAR, COUNTY GOVERNMENTS SHALL COLLECTIVELY PAY \$500,000 TO THE FUND.

(II) THE AMOUNT REQUIRED TO BE PAID UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE ALLOCATED AMONG THE COUNTIES BASED ON THE NUMBER OF REAL PROPERTY ACCOUNTS IN EACH COUNTY AS A PERCENTAGE OF THE TOTAL NUMBER OF REAL PROPERTY ACCOUNTS STATEWIDE AS OF JULY 1 OF THE PRECEDING FISCAL YEAR.

(III) THE AMOUNT PAID BY EACH COUNTY UNDER THIS PARAGRAPH SHALL BE DERIVED FROM INTEREST ON OVERDUE COUNTY PROPERTY TAX.

(IV) EACH COUNTY SHALL REMIT TO THE DEPARTMENT THE COUNTY'S SHARE OF THE AMOUNT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH ON OR BEFORE THE FIRST DAY OF EACH FISCAL YEAR.

(9) (I) THE FUND MAY BE USED ONLY FOR ANY EXPENSES ASSOCIATED WITH THE PROGRAM.

(II) THE FUND MAY NOT BE USED FOR ANY EXPENSES OF THE OFFICE OF THE STATE TAX SALE OMBUDSMAN THAT ARE NOT DIRECTLY RELATED TO THE PROGRAM.

(10) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(II) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(11) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

(12) THE FUND IS THE EXCLUSIVE SOURCE OF FUNDING FOR THE PROGRAM.

Chapter 717 of the Acts of 2024, as amended by Chapters 237, 409, and 410 of the Acts of 2025

SECTION 8. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement, or with the terms of a gift or settlement agreement, for fiscal years 2024 through 2028, net interest on all State money allocated by the State Treasurer under § 6–226 of the State Finance and Procurement Article to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State, with the exception of the following funds:

- (87) the Academic Excellence Fund; [and]
- (88) the Abandoned and Neglected Cemeteries Fund; AND
- (89) THE ~~HEIRS~~ LEGACY PROTECTION FUND.**

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – Property

9–104.

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

(9) “HEIR” MEANS AN INDIVIDUAL WHO IS AN HEIR OR A LEGATEE OF A DECEASED HOMEOWNER WHO IS ENTITLED TO INHERIT THE DECEASED HOMEOWNER’S DWELLING.

[(9)] (10) (i) “Homeowner” means an individual who:

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

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

B. under a court order or separation agreement, permits a spouse, a former spouse, or a child of the individual’s family to reside without payment of rent in a dwelling in which the individual has a legal interest; or

2. A. is a home purchaser; and

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

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

[(10)] (11) “Home purchaser” means an individual who purchases a dwelling in the taxable year for which the tax credit under this section is sought.

[(11)] (12) “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].

[(12)] **(13)** “Net worth” means the sum of the current market value of all assets, less any outstanding liability.

[(13)] “Surviving family member” means an individual related to a deceased homeowner by blood, adoption, or marriage.]

(f) **(1)** A homeowner who meets the requirements of this section shall be granted the property tax credit under this section against the property tax imposed on the real property of the dwelling.

(2) (I) AN HEIR WHO IS NOT SHOWN AS THE RECORD TITLE HOLDER OF A DWELLING IN THE LAND RECORDS OF THE COUNTY SHALL BE GRANTED THE PROPERTY TAX CREDIT UNDER THIS SECTION IF THE HEIR:

1. FILES AN APPLICATION IN ACCORDANCE WITH SUBSECTION ~~(D)(6)~~ **(L)** OF THIS SECTION;
2. MEETS THE ELIGIBILITY REQUIREMENTS FOR A HOMEOWNER UNDER THIS SECTION; AND
3. MEETS ALL THE OTHER REQUIREMENTS OF THIS SECTION.

(II) AN HEIR WHO IS NOT SHOWN AS THE RECORD TITLE HOLDER OF THE DWELLING IN THE LAND RECORDS OF THE COUNTY MAY BE

GRANTED THE TAX CREDIT UNDER THIS SECTION FOR A MAXIMUM OF 3 TAXABLE YEARS.

(III) AFTER RECEIVING THE TAX CREDIT UNDER THIS SECTION FOR 3 TAXABLE YEARS, AN HEIR MAY RECEIVE THE TAX CREDIT UNDER THIS SECTION ONLY IF THE HEIR IS SHOWN AS THE RECORD TITLE HOLDER OF THE DWELLING IN THE LAND RECORDS OF THE COUNTY.

(1) (1) On or before the February 15 that precedes the taxable year in which the property tax credit under this section is sought, the Department shall make available that year's property tax credit application form.

(2) (i) Except as provided in subsections (m), (u), and (v) of this section, on or before October 1 of the taxable year in which the property tax credit under this section is sought, a homeowner may apply to the Department for a property tax credit under this section.

(ii) The application shall be made on the form that the Department provides.

(3) (i) For good cause, the Department may accept an application after October 1 but on or before October 31 of the taxable year.

(ii) The Department shall notify the homeowner in writing of its acceptance or rejection of a late application.

(4) The homeowner shall state under oath that the facts in the application are true.

(5) (i) Except as provided in subparagraph (ii) of this paragraph, to substantiate the application, the applicant may be required to provide a copy of an income tax return, or other evidence detailing gross income or net worth.

(ii) An applicant who is required to substantiate an application under subparagraph (i) of this paragraph may, under penalties of perjury, attest to gross income in lieu of providing an income tax return if the applicant was not required to and did not file an income tax return.

(6) TO APPLY FOR THE CREDIT UNDER THIS SECTION, AN HEIR SHALL:

(I) COMPLETE THE APPLICATION UNDER THIS SUBSECTION;

(II) COMPLETE AN AFFIDAVIT UNDER OATH ON THE FORM THE DEPARTMENT PROVIDES ATTESTING THAT THE INDIVIDUAL IS AN HEIR OR A

LEGATEE OF A DECEASED HOMEOWNER WHO IS ENTITLED TO INHERIT THE DECEASED HOMEOWNER'S DWELLING; AND

(III) ATTACH TO THE APPLICATION A COPY OF THE DEATH CERTIFICATE OF THE DECEASED HOMEOWNER FROM WHOM THE HEIR INHERITED THE DWELLING.

(u) (1) Under the conditions set forth in this subsection, the Department may accept an application from a homeowner within:

(i) 1 year after April 15 of the taxable year for which the property tax credit under this section is sought, if the homeowner:

1. is applying for the first time; or

2. has filed an application on or before October 1 in each of the 3 taxable years immediately preceding the taxable year for which the credit is sought; or

(ii) 3 years after April 15 of the taxable year for which a credit is sought, if the homeowner is:

1. A. at least 70 years old as of the taxable year for which a credit is sought; [or]

B. enrolled in the Homeowner Protection Program established under Title 14, Subtitle 8, Part VII of this article; **OR**

C. **AN HEIR;** and

2. was eligible for the credit under this section for the taxable year for which the credit is sought.

9–105.

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

(7) “HEIR” MEANS AN INDIVIDUAL WHO IS AN HEIR OR A LEGATEE OF A DECEASED HOMEOWNER WHO IS ENTITLED TO INHERIT THE DECEASED HOMEOWNER'S DWELLING.

[(7)] (8) “Homeowner” means an individual who has a legal interest in a dwelling or who is an active member of an agricultural ownership entity that has a legal interest in a dwelling.

[(8)] (9) “Legal interest” means an interest in a dwelling:

- (i) as a sole owner;
- (ii) as a joint tenant;
- (iii) as a tenant in common;
- (iv) as a tenant by the entireties;
- (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) as a settlor, grantor, or beneficiary of a trust if:
 1. the settlor, grantor, or beneficiary of the trust does not pay rent or other remuneration to reside in the dwelling; and
 2. legal title to the dwelling is held in the name of the trust or in the names of the trustees for the trust.

[(9)] (10) “Taxable assessment” means the assessment on which the property tax rate was imposed in the preceding taxable year, adjusted by the phased-in assessment increase resulting from a revaluation under § 8–104(c)(1)(iii) of this article, less the amount of any assessment on which a property tax credit under this section is authorized.

(d) (6) (i) Except as provided under paragraph (7) of this subsection, to qualify for the credit under this section, a homeowner shall submit an application for the credit to the Department as provided in this paragraph.

- (ii) The application shall:
 1. be made on the form that the Department provides;
 2. provide the information required by the form;
 3. include a statement by the homeowner under oath that the facts stated in the application are true, correct, and complete; and

4. except as provided in subparagraph (iii) of this paragraph, be filed on or before the May 1 preceding the first taxable year for which the property tax credit under this section is to be allowed.

(iii) For a dwelling that was last transferred for consideration to new ownership on or before December 31, 2007, an application shall be filed with the Department on or before December 30, 2013, or the Department may not authorize and the State, county, and municipal corporation may not grant the property tax credit under this section:

1. for the taxable year beginning July 1, 2014; and
2. for a taxable year beginning after June 30, 2015, unless an application is filed as required under subparagraphs (i) and (ii) of this paragraph.

(IV) TO APPLY FOR THE CREDIT UNDER THIS SECTION, AN HEIR SHALL:

1. COMPLETE THE APPLICATION UNDER THIS PARAGRAPH;

2. COMPLETE AN AFFIDAVIT UNDER OATH ON THE FORM THE DEPARTMENT PROVIDES ATTESTING THAT THE INDIVIDUAL IS AN HEIR OR A LEGATEE OF A DECEASED HOMEOWNER WHO IS ENTITLED TO INHERIT THE DECEASED HOMEOWNER'S DWELLING; AND

3. ATTACH TO THE APPLICATION A COPY OF THE DEATH CERTIFICATE OF THE DECEASED HOMEOWNER FROM WHOM THE HEIR INHERITED THE DWELLING.

[(iv)] (v) If a dwelling previously received a credit under this section and failed to qualify for 1 taxable year because of a failure to file the application required under this paragraph, the Department:

1. shall grant the credit for the dwelling for the next following taxable year on the timely filing of the application by the same homeowner who previously received the credit; and

2. shall calculate the prior year's taxable assessment for the dwelling as if the credit had not been lost for the 1 intervening taxable year.

[(v)] (VI) The Department shall provide a homeowner the option to submit the application required under this paragraph electronically on the Department's website.

(7) If a homeowner submits an application to the Department under this section and the Department determines that the homeowner was eligible for the credit in the prior taxable year but failed to file an application for the credit as required under this subsection:

(i) the homeowner shall be retroactively qualified for the Homestead Property Tax Credit Program for the prior taxable year; and

(ii) the Department shall calculate the prior year's taxable assessment as if the credit had been granted for the prior taxable year.

(8) (i) This paragraph shall be interpreted broadly to apply to any homeowner who:

1. is at least 70 years of age;
2. was eligible for the credit in the prior taxable year but failed to file an application for the credit; and
3. applies for a credit for the current taxable year.

(ii) For homeowners that meet the criteria under subparagraph (i) of this paragraph, the Department shall calculate the current year's taxable assessment as if the credit had been granted for the prior taxable year.

(iii) A homeowner who meets the criteria under subparagraph (i) of this paragraph is not due a reimbursement of property taxes paid in prior taxable years.

(g) **(1)** A homeowner who meets the requirements of this section shall be granted the property tax credit under this section against the State, county, and municipal corporation property tax and any property tax imposed for a bicounty commission imposed on the real property of the dwelling.

(2) (I) AN HEIR WHO IS NOT SHOWN AS THE RECORD TITLE HOLDER OF A DWELLING IN THE LAND RECORDS OF THE COUNTY SHALL BE GRANTED THE PROPERTY TAX CREDIT UNDER THIS SECTION IF THE HEIR:

1. FILES AN APPLICATION IN ACCORDANCE WITH SUBSECTION (D)(6) OF THIS SECTION;

2. MEETS THE ELIGIBILITY REQUIREMENTS FOR A HOMEOWNER UNDER THIS SECTION; AND

3. MEETS ALL THE OTHER REQUIREMENTS OF THIS SECTION.

(II) AN HEIR WHO IS NOT SHOWN AS THE RECORD TITLE HOLDER OF THE DWELLING IN THE LAND RECORDS OF THE COUNTY MAY BE GRANTED THE TAX CREDIT UNDER THIS SECTION FOR A MAXIMUM OF 3 TAXABLE YEARS.

(III) AFTER RECEIVING THE TAX CREDIT UNDER THIS SECTION FOR 3 TAXABLE YEARS, AN HEIR MAY RECEIVE THE TAX CREDIT UNDER THIS SECTION ONLY IF THE HEIR IS SHOWN AS THE RECORD TITLE HOLDER OF THE DWELLING IN THE LAND RECORDS OF THE COUNTY.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after June 30, 2026.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect ~~July 1, 2026~~ July 1, 2027.

SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section 4 of this Act, this Act shall take effect June 1, 2026.

Approved by the Governor, May 26, 2026.