

# SENATE BILL 267

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4r1225  
CF HB 314

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By: **Baltimore City Senators (By Request – Baltimore City Administration)**

Introduced and read first time: January 17, 2014

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 11, 2014

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Baltimore City – Property Tax Credit – Newly Constructed Dwellings**

3 FOR the purpose of extending the period of time during which owners of newly  
4 constructed dwellings in Baltimore City may qualify for a property tax credit;  
5 repealing certain provisions of law allowing for an amnesty period for owners  
6 who were denied the tax credit for failing to meet the application deadline;  
7 providing for the application of this Act; and generally relating to the property  
8 tax credit for newly constructed dwellings in Baltimore City.

9 BY repealing and reenacting, with amendments,  
10 Article – Tax – Property  
11 Section 9–304(d)  
12 Annotated Code of Maryland  
13 (2012 Replacement Volume and 2013 Supplement)

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

16 **Article – Tax – Property**

17 9–304.

18 (d) (1) (i) In this subsection the following words have the meanings  
19 indicated.

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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 (ii) 1. “Newly constructed dwelling” means residential real  
2 property that has not been previously occupied since its construction and for which the  
3 building permit for construction was issued on or after October 1, 1994.

4 2. “Newly constructed dwelling” includes a “vacant  
5 dwelling” as defined in subsection (c)(1) of this section that has been rehabilitated in  
6 compliance with applicable local laws and regulations and has not been previously  
7 occupied since the rehabilitation.

8 (iii) “Owner” means “homeowner” as defined in § 9–105 of this  
9 title.

10 (2) The Mayor and City Council of Baltimore City may grant, by law, a  
11 property tax credit under this subsection against the county property tax imposed on  
12 newly constructed dwellings that are owned by qualifying owners.

13 (3) A property tax credit granted under this subsection may not exceed  
14 the amount of county property tax imposed on the real property, less the amount of  
15 any other credit applicable in that year, multiplied by:

16 (i) 50% for the first taxable year in which the property qualifies  
17 for the tax credit;

18 (ii) 40% for the second taxable year in which the property  
19 qualifies for the tax credit;

20 (iii) 30% for the third taxable year in which the property  
21 qualifies for the tax credit;

22 (iv) 20% for the fourth taxable year in which the property  
23 qualifies for the tax credit;

24 (v) 10% for the fifth taxable year in which the property qualifies  
25 for the tax credit; and

26 (vi) 0% for each taxable year thereafter.

27 (4) Notwithstanding the credit amount calculated under paragraph (3)  
28 of this subsection, the Mayor and City Council of Baltimore City may establish, by  
29 law, maximum limits on the cumulative property tax credit allowed under this  
30 subsection or on the amount of the credit allowed for any year.

31 (5) Owners of newly constructed dwellings may qualify for the tax  
32 credit authorized by this subsection by:

33 (i) purchasing a newly constructed dwelling;

1 (ii) occupying the newly constructed dwelling as their principal  
2 residence;

3 (iii) filing a State income tax return during the period of the tax  
4 credit as a resident of Baltimore City; and

5 (iv) satisfying other requirements as may be provided by the  
6 Mayor and City Council of Baltimore City.

7 (6) (i) The Mayor and City Council of Baltimore City may provide,  
8 by law, for two application periods during which owners can apply for the property tax  
9 credit under this subsection, one that is based on the purchase date of the dwelling  
10 and one that is based on the date of the assessment notice.

11 (ii) [1. The Mayor and City Council of Baltimore City may  
12 provide, by law, for a one-time amnesty period for owners who were previously denied  
13 the tax credit for failing to meet the application deadline.

14 2. The amnesty period shall begin at the time the tax  
15 credit is reauthorized by the Mayor and City Council of Baltimore City and shall end  
16 60 days thereafter.

17 3. Only owners who were eligible for the tax credit on or  
18 after January 1, 2005, may be eligible to apply for the credit during the amnesty  
19 period.

20 4.] If granted, the tax credit shall be applied against the  
21 owner's property taxes as long as the owner remains the owner-occupant of the  
22 dwelling for which the credit is received.

23 (iii) The Mayor and City Council of Baltimore City shall provide  
24 for any procedures necessary and appropriate for implementing the application [and  
25 amnesty] periods.

26 (7) The Mayor and City Council of Baltimore City may provide for  
27 additional procedures necessary and appropriate for the submission of an application  
28 for and the granting of a property tax credit under this subsection, including  
29 procedures for granting partial credits for eligibility for less than a full taxable year.

30 (8) The estimated amount of all tax credits received by owners under  
31 this subsection in any fiscal year shall be reported by the Director of Finance of  
32 Baltimore City as a "tax expenditure" for that fiscal year and shall be included in the  
33 publication of the City's budget for any subsequent fiscal year with the estimated or  
34 actual City property tax revenue for the applicable fiscal year.

35 (9) (i) After June 30, [2014] **2019**, additional owners of newly  
36 constructed dwellings may not be granted a credit under this subsection.

1                   (ii) This paragraph does not apply to an owner’s continuing  
 2 receipt of a credit as allowed in paragraph (3) of this subsection, with respect to a  
 3 property for which a tax credit under this subsection was received for a taxable year  
 4 ending on or before June 30, ~~2014~~ **2019**.

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 6 June 1, 2014, and shall be applicable to all taxable years beginning after June 30,  
 7 2014.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.