

HB0610/623129/1

BY: Budget and Taxation Committee

AMENDMENTS TO HOUSE BILL 610
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “**Homeowners**” insert “**and Homestead**”; in the same line, strike “**Credit**” and substitute “**Credits**”; in lines 2 and 3, strike “**of Surviving Family Member**” and substitute “**and Access**”; in line 4, after “of” insert “requiring a contract for the sale of residential property to include certain information concerning the homestead property tax credit;”; in line 7, after “circumstances,” insert “altering the individuals to whom the State Department of Assessments and Taxation is required to mail a certain notice concerning the homestead property tax credit; requiring the Department to design a certain document concerning the homestead property tax credit that must be presented to the buyer of residential property at the settlement for the property by the person conducting the settlement; requiring the document to include certain information; requiring the Department to make the document available on its website in a certain manner; requiring the Department to contract with a usability consultant on or before a certain date to review all the public informational materials and forms produced by the Department concerning the homestead and homeowners’ tax credits; requiring the consultant to make certain recommendations to the Department on or before a certain date regarding ways the Department’s public informational materials and forms concerning the homestead and homeowners’ property tax credits could be made more usable; requiring the Department to submit a certain report to certain committees of the General Assembly on or before a certain date; requiring the Department and the Comptroller to collaborate with the Committee on Ways and Means and the Budget and Taxation Committee during a certain time period on a study of certain matters concerning the homeowners’ property tax credit;”; in line 9, after “homeowners” insert “**and homestead**”; in the same line, strike “credit” and substitute “credits”; after line 9, insert:

“BY adding to

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Article – Real Property
Section 14–117(n)
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)”;

and in line 17, after “(13)” insert “and 9-105(f)”.

AMENDMENT NO. 2

On page 2, after line 4, insert:

“Article – Real Property

14–117.

(N) A CONTRACT FOR THE SALE OF RESIDENTIAL PROPERTY SHALL INCLUDE:

(1) THE STATEMENT “IF YOU PLAN TO LIVE IN THIS HOME AS YOUR PRINCIPAL RESIDENCE, YOU MAY QUALIFY FOR THE HOMESTEAD PROPERTY TAX CREDIT. THE HOMESTEAD PROPERTY TAX CREDIT MAY SIGNIFICANTLY REDUCE THE AMOUNT OF PROPERTY TAXES YOU OWE.”; AND

(2) THE WEBSITE ADDRESS OF THE DOCUMENT REQUIRED UNDER § 9–105(F)(5) OF THE TAX – PROPERTY ARTICLE.”.

On page 5, after line 2, insert:

“9–105.

(f) (1) The Department shall give notice of the possible property tax credit under this section.

(2) In addition to any other notice the Department provides under this subsection, the Department shall:

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(i) identify homeowners who may be eligible but have failed to apply for the property tax credit under this section; and

(ii) include a separate insert with each assessment notice sent under § 8-401 of this article to each homeowner identified under item (i) of this paragraph that informs the homeowner that the homeowner may be eligible for the property tax credit under this section and how to apply for the credit.

(3) In addition to any other notice the Department provides under this subsection, the Department shall mail a notice to each individual who acquires residential real property **AND HAS NOT APPLIED FOR THE CREDIT UNDER THIS SECTION** within a reasonable period of time after the individual:

(i) acquires the property by recorded deed; and

(ii) indicates that the property will be the individual's principal residence on the corresponding land instrument intake sheet described under § 3-104 of the Real Property Article.

(4) The notice required under paragraph (3) of this subsection shall:

(i) inform the individual that the individual may be eligible for the property tax credit under this section;

(ii) contain information on how to apply for the credit; and

(iii) inform the individual that the individual may apply to the Department to have the date of the deed accepted as the date of transfer of the property for purposes of the credit as provided in subsection (d)(5) of this section.

(5) (I) THE DEPARTMENT SHALL DESIGN A DOCUMENT CONCERNING THE CREDIT UNDER THIS SECTION THAT SHALL BE PRESENTED TO THE BUYER OF RESIDENTIAL PROPERTY AT THE SETTLEMENT FOR THE PROPERTY BY THE PERSON CONDUCTING THE SETTLEMENT.

(II) THE DOCUMENT UNDER THIS PARAGRAPH SHALL INCLUDE:

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1. THE FOLLOWING STATEMENT IN CONSPICUOUS TYPE: “IF YOU PLAN TO LIVE IN THIS HOME AS YOUR PRINCIPAL RESIDENCE, YOU MAY QUALIFY FOR THE HOMESTEAD PROPERTY TAX CREDIT. THE HOMESTEAD PROPERTY TAX CREDIT MAY SIGNIFICANTLY REDUCE THE AMOUNT OF PROPERTY TAXES YOU OWE.”;

2. INSTRUCTIONS ON HOW TO APPLY FOR THE CREDIT ONLINE; AND

3. A COMPLETE APPLICATION FOR THE CREDIT AND INSTRUCTIONS ON HOW TO SUBMIT THE PAPER APPLICATION TO THE DEPARTMENT.

(iii) THE DEPARTMENT SHALL MAKE THE DOCUMENT UNDER THIS PARAGRAPH AVAILABLE ON ITS WEBSITE WHERE IT MAY BE EASILY ACCESSED BY PERSONS CONDUCTING SETTLEMENTS FOR RESIDENTIAL PROPERTY.

[(5)] (6) The Department shall ensure that the information it provides under this subsection is accurate and up-to-date.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before August 1, 2021, the State Department of Assessments and Taxation shall contract with a usability consultant to review all the public informational materials and forms produced by the Department concerning the homestead and homeowners’ tax credits.

(b) (1) On or before December 1, 2021, the consultant shall make recommendations to the Department regarding ways the Department’s public informational materials and forms concerning the homestead and homeowners’ property tax credits could be made more usable, especially for socioeconomically diverse communities.

(2) The consultant shall make specific recommendations concerning:

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(i) how the Department’s website and other written materials could more clearly and effectively communicate information concerning the tax credits, including why it is important and beneficial for homeowners to apply;

(ii) how to simplify and clarify the applications for the credits and minimize errors by individuals completing the applications; and

(iii) the design of the document required under § 9–105(f)(5) of the Tax – Property Article as enacted by Section 1 of this Act.

(c) On or before February 1, 2022, the Department shall submit a report, in accordance with § 2–1257 of the State Government Article, to the Senate Budget and Taxation Committee and the House Committee on Ways and Means that includes:

(1) the recommendations submitted by the consultant under subsection (b) of this section; and

(2) the actions the Department has taken or plans to take to implement the recommendations.

SECTION 3. AND BE IT FURTHER ENACTED, That, during the 2021 legislative interim, the State Department of Assessments and Taxation and the Comptroller shall collaborate with the Committee on Ways and Means and the Budget and Taxation Committee on a study of:

(1) how to simplify the definition of “gross income” for purposes of the homeowners’ property tax credit, such as by using Maryland adjusted gross income as calculated under the Tax – General Article, without increasing State expenditures by changing how the amount of the credit is calculated under § 9–104(g) of the Tax – Property Article; and

(2) ways that the homeowners’ property tax credit could be made automatically renewable for recipients of the credit.”;

and in line 3, strike “2.” and substitute “4.”.