

# HOUSE BILL 1289

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11r2649

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By: **Delegate Amprey**

Introduced and read first time: February 8, 2021

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Homestead Property Tax Credit – Notice Requirements and Application Waiver**  
3 **for First–Time Homebuyers**

4 FOR the purpose of requiring a contract for the sale of residential property to a certain  
5 first–time homebuyer in the State to include a certain statement relating to the  
6 homestead property tax credit; requiring the statement to be signed and dated by  
7 the homebuyer; requiring the State Department of Assessments and Taxation to  
8 develop a certain form including a certain statement; requiring a certain vendor, at  
9 the initial sale of the first lot in a certain development to a certain individual, to  
10 deliver in a certain manner a certain statement to homeowners within a certain  
11 distance of the development; providing that the application requirement for the  
12 homestead property tax credit does not apply to a first–time homebuyer in the State;  
13 requiring the Department to provide certain information in a certain notice;  
14 requiring the Department to develop and make available certain statements for  
15 certain purposes; and generally relating to the homestead property tax credit.

16 BY adding to

17 Article – Real Property  
18 Section 10–711 and 11B–105.1  
19 Annotated Code of Maryland  
20 (2015 Replacement Volume and 2020 Supplement)

21 BY repealing and reenacting, without amendments,

22 Article – Tax – Property  
23 Section 9–105(a)(1), (5), and (7) and (b)  
24 Annotated Code of Maryland  
25 (2019 Replacement Volume and 2020 Supplement)

26 BY repealing and reenacting, with amendments,

27 Article – Tax – Property  
28 Section 9–105(d) and (f)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2019 Replacement Volume and 2020 Supplement)

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

5 **Article – Real Property**

6 **10–711.**

7 (A) A CONTRACT FOR THE SALE OF RESIDENTIAL PROPERTY TO AN  
8 INDIVIDUAL WHO IS A FIRST-TIME HOMEBUYER IN THE STATE AND WHO INTENDS  
9 TO OCCUPY THE PROPERTY AS THE INDIVIDUAL’S PRINCIPAL RESIDENCE SHALL  
10 INCLUDE A WRITTEN STATEMENT THAT PROVIDES DETAILS, INCLUDING  
11 ELIGIBILITY REQUIREMENTS, FOR THE HOMESTEAD PROPERTY TAX CREDIT UNDER  
12 § 9–105 OF THE TAX – PROPERTY ARTICLE.

13 (B) THE STATEMENT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION  
14 SHALL BE:

15 (1) DATED AND SIGNED BY THE BUYER; AND

16 (2) INCLUDED IN OR ATTACHED TO THE CONTRACT OF SALE.

17 (C) THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL  
18 DEVELOP A SINGLE STANDARDIZED FORM THAT INCLUDES THE STATEMENT  
19 REQUIRED UNDER THIS SECTION.

20 **11B–105.1.**

21 (A) AT THE TIME OF THE INITIAL SALE OF THE FIRST LOT IN A  
22 DEVELOPMENT CONTAINING MORE THAN 12 LOTS TO A MEMBER OF THE PUBLIC  
23 WHO INTENDS TO OCCUPY OR RENT THE LOT FOR RESIDENTIAL PURPOSES, THE  
24 VENDOR SHALL DELIVER TO EACH HOMEOWNER WITHIN A 1-MILE RADIUS OF THE  
25 DEVELOPMENT A WRITTEN STATEMENT THAT PROVIDES DETAILS, INCLUDING  
26 ELIGIBILITY REQUIREMENTS, FOR THE HOMESTEAD PROPERTY TAX CREDIT UNDER  
27 § 9–105 OF THE TAX – PROPERTY ARTICLE ON A FORM PROVIDED BY THE STATE  
28 DEPARTMENT OF ASSESSMENTS AND TAXATION.

29 (B) THE VENDOR SHALL:

30 (1) IN GOOD FAITH, MAKE A REASONABLE EFFORT TO IDENTIFY THE  
31 INDIVIDUALS WHO SHOULD BE PROVIDED THE STATEMENT UNDER THIS SECTION;  
32 AND



1 corporation property tax imposed on real property by the State, county, or municipal  
2 corporation.

3 (2) A property tax credit granted under this section shall be applicable to  
4 any State, county, or municipal corporation property tax and any property tax imposed for  
5 a bicounty commission.

6 (d) (1) Subject to the provisions of paragraph (6) of this subsection, the  
7 Department shall authorize and the State, a county, or a municipal corporation shall grant  
8 a property tax credit under this section for a taxable year unless during the previous  
9 taxable year:

10 (i) the dwelling was transferred for consideration to new ownership;

11 (ii) the value of the dwelling was increased due to a change in the  
12 zoning classification of the dwelling initiated or requested by the homeowner or anyone  
13 having an interest in the property;

14 (iii) the use of the dwelling was changed substantially; or

15 (iv) the assessment of the dwelling was clearly erroneous due to an  
16 error in calculation or measurement of improvements on the real property.

17 (2) A homeowner must actually reside in the dwelling by July 1 of the  
18 taxable year for which the property tax credit under this section is to be allowed.

19 (3) A homeowner may claim a property tax credit under this section for  
20 only 1 dwelling.

21 (4) If a property tax credit under this section is less than \$1 in any taxable  
22 year, the tax credit may not be granted.

23 (5) (i) If the dwelling was transferred for consideration in a deed dated  
24 on or after January 1 but before the beginning of the next taxable year and the deed was  
25 recorded with the clerk of the circuit court or the Department on or after July 1 but before  
26 September 1 of the next taxable year, the new owner may submit a written application to  
27 the Department on or before September 1 of the second taxable year following the date of  
28 the deed requesting that the date of the deed be accepted by the Department as the date of  
29 transfer under paragraph (1) of this subsection.

30 (ii) 1. The applicant shall submit with the written application a  
31 copy of the executed deed evidencing the date of the transfer.

32 2. If the applicant fails to submit a copy of the executed deed  
33 as required under subparagraph 1 of this subparagraph, the Department shall deny the  
34 application.

1 (iii) The date of the transfer under this paragraph is the effective date  
2 of the deed as described under § 3–201 of the Real Property Article.

3 (iv) If a homeowner submits an eligible application under this  
4 paragraph after May 1 of the first taxable year following the date of the deed and the  
5 homeowner is due to receive a reduction in the homeowner's property tax bill in the second  
6 taxable year following the date of the deed as a result of the credit under this section,  
7 property tax is not due on the dwelling for the second taxable year following the date of the  
8 deed until 30 days after a revised tax bill is sent to the homeowner.

9 (6) (i) **THIS PARAGRAPH DOES NOT APPLY TO A HOMEOWNER WHO**  
10 **IS A FIRST-TIME HOMEBUYER IN THE STATE.**

11 (II) To qualify for the credit under this section, a homeowner shall  
12 submit an application for the credit to the Department as provided in this paragraph.

13 [(ii)] (III) The application shall:

- 14 1. be made on the form that the Department provides;
- 15 2. provide the information required by the form;
- 16 3. include a statement by the homeowner under oath that the  
17 facts stated in the application are true, correct, and complete; and
- 18 4. except as provided in subparagraph (iii) of this paragraph,  
19 be filed on or before the May 1 preceding the first taxable year for which the property tax  
20 credit under this section is to be allowed.

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

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

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

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

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

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

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

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

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

15                   (ii)    include a separate insert with each assessment notice sent under  
16 § 8-401 of this article to each homeowner identified under item (i) of this paragraph that  
17 informs the homeowner that the homeowner may be eligible for the property tax credit  
18 under this section and how to apply for the credit.

19                   (3)     In addition to any other notice the Department provides under this  
20 subsection, the Department shall mail a notice to each individual who acquires residential  
21 real property within a reasonable period of time after the individual:

22                   (i)     acquires the property by recorded deed; and

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

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

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

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

30                   (III)    **DESCRIBE THE CIRCUMSTANCES IN WHICH AN APPLICATION**  
31 **FOR THE CREDIT IS NOT REQUIRED;** and

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

4                    (5) (I) THE DEPARTMENT SHALL DEVELOP A SINGLE  
5 STANDARDIZED FORM THAT INCLUDES A STATEMENT THAT PROVIDES DETAILS,  
6 INCLUDING ELIGIBILITY REQUIREMENTS, FOR THE CREDIT UNDER THIS SECTION.

7                    (II) THE FORM REQUIRED UNDER THIS PARAGRAPH SHALL BE  
8 MADE AVAILABLE:

9                    1. FOR INCLUSION IN OR AS AN ATTACHMENT TO A  
10 CONTRACT OF SALE OF RESIDENTIAL REAL PROPERTY IN ACCORDANCE WITH §  
11 10-711 OF THE REAL PROPERTY ARTICLE; AND

12                    2. FOR DELIVERY BY A VENDOR AT THE TIME OF THE  
13 INITIAL SALE OF THE FIRST LOT IN A DEVELOPMENT CONTAINING MORE THAN 12  
14 LOTS IN ACCORDANCE WITH § 11B-105.1 OF THE REAL PROPERTY ARTICLE.

15                    [(5)] (6) The Department shall ensure that the information it provides  
16 under this subsection is accurate and up-to-date.

17                    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
18 1, 2021.