

HOUSE BILL 1361

Q1

2lr2557

By: **Delegates Cox, Boteler, McComas, Rose, Shoemaker, and Thiam**

Introduced and read first time: February 11, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Taxes – Exemption – Dwellings of Senior Citizens**

3 FOR the purpose of exempting from property taxes the dwelling of certain eligible senior
4 citizens and, following transfer, certain joint owners under certain circumstances;
5 requiring the State to reimburse each county and municipal corporation a certain
6 amount of revenue that would have been collected but for the property tax exemption
7 required under this Act; requiring the Comptroller to distribute from the State
8 Lottery Fund to a county or municipal corporation a certain amount; and generally
9 relating to a property tax exemption for the dwellings of senior citizens.

10 BY repealing and reenacting, with amendments,
11 Article – State Government
12 Section 9–120(b)(1)(vii) and (viii)
13 Annotated Code of Maryland
14 (2021 Replacement Volume)

15 BY adding to
16 Article – State Government
17 Section 9–120(b)(1)(viii)
18 Annotated Code of Maryland
19 (2021 Replacement Volume)

20 BY adding to
21 Article – Tax – Property
22 Section 7–249
23 Annotated Code of Maryland
24 (2019 Replacement Volume and 2021 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – State Government

9–120.

(b) (1) By the end of the month following collection, the Comptroller shall deposit, cause to be deposited, or pay:

(vii) after June 30, 2021, to Anne Arundel County or Baltimore City each fiscal year the amount required to be distributed under § 9–1A–31(a)(7)(ii) of this title to be used as required under § 9–1A–31 of this title; [and]

(VIII) AFTER JUNE 30, 2022, TO A COUNTY OR MUNICIPALITY THE AMOUNT REQUIRED TO BE DISTRIBUTED UNDER § 7–249 OF THE TAX – PROPERTY ARTICLE; AND

[(viii)] **(IX)** into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) through [(vi)] **(VIII)** of this paragraph.

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

Article – Tax – Property

7–249.

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

(2) “COMBINED INCOME” MEANS THE COMBINED GROSS INCOME OF ALL INDIVIDUALS WHO ACTUALLY RESIDE IN A DWELLING EXCEPT AN INDIVIDUAL WHO:

(I) IS A DEPENDENT OF THE HOMEOWNER UNDER § 152 OF THE INTERNAL REVENUE CODE; OR

(II) PAYS A REASONABLE AMOUNT FOR RENT OR ROOM AND BOARD.

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

(4) “ELIGIBLE SENIOR CITIZEN” MEANS AN INDIVIDUAL WHO:

(I) IS AT LEAST 65 YEARS OLD; AND

1 (II) HAS RESIDED IN THE INDIVIDUAL'S DWELLING FOR A
2 PERIOD OF AT LEAST 10 YEARS.

3 (5) (I) "GROSS INCOME" MEANS THE TOTAL INCOME FROM ALL
4 SOURCES FOR THE CALENDAR YEAR THAT IMMEDIATELY PRECEDES THE TAXABLE
5 YEAR, WHETHER OR NOT THE INCOME IS INCLUDED IN THE DEFINITION OF GROSS
6 INCOME FOR FEDERAL OR STATE TAX PURPOSES.

7 (II) "GROSS INCOME" INCLUDES:

8 1. INCOME DERIVED FROM SALARIES, WAGES, BONUSES,
9 AND COMMISSIONS, INCLUDING INCOME FROM SELF-EMPLOYMENT;

10 2. THE FIRST 50% OF ANY BENEFITS UNDER THE SOCIAL
11 SECURITY ACT OR THE RAILROAD RETIREMENT ACT;

12 3. THE AGGREGATE OF GIFTS OVER \$300;

13 4. ALIMONY;

14 5. SUPPORT MONEY;

15 6. ANY NONTAXABLE STRIKE BENEFIT;

16 7. PUBLIC ASSISTANCE RECEIVED IN A CASH GRANT;

17 8. A PENSION;

18 9. AN ANNUITY;

19 10. ANY UNEMPLOYMENT INSURANCE BENEFIT;

20 11. ANY WORKERS' COMPENSATION BENEFIT;

21 12. ALL INTEREST RECEIVED FROM THE FEDERAL
22 GOVERNMENT, THE STATE, A COUNTY, OR A MUNICIPAL CORPORATION;

23 13. REALIZED CAPITAL GAINS;

24 14. ANY WITHDRAWAL, PAYMENT, OR DISTRIBUTION
25 FROM AN INDIVIDUAL RETIREMENT ACCOUNT;

1 **15. ANY WITHDRAWAL, PAYMENT, OR DISTRIBUTION**
2 **FROM ANY QUALIFIED RETIREMENT SAVINGS PLAN;**

3 **16. ANY RENTAL INCOME; AND**

4 **17. THE GROSS AMOUNT OF LOSS OF TIME INSURANCE**
5 **BENEFITS AND LIFE INSURANCE BENEFITS AND PROCEEDS, EXCLUDING THE FIRST**
6 **\$5,000 OF DEATH BENEFIT PAYMENTS.**

7 **(III) "GROSS INCOME" DOES NOT INCLUDE:**

8 **1. ANY INCOME TAX REFUND RECEIVED FROM THE**
9 **STATE OR FEDERAL GOVERNMENT; OR**

10 **2. ANY LOSS FROM BUSINESS, RENTAL, OR OTHER**
11 **ENDEAVOR.**

12 **(6) "HOMEOWNER" HAS THE MEANING STATED IN § 9-105 OF THIS**
13 **ARTICLE.**

14 **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A DWELLING IS**
15 **EXEMPT FROM PROPERTY TAX IF:**

16 **(1) THE DWELLING IS OWNED BY AN ELIGIBLE SENIOR CITIZEN OR,**
17 **FOLLOWING TRANSFER OF OWNERSHIP TO A JOINT OWNER, AN INDIVIDUAL WHO IS**
18 **AT LEAST 64 YEARS OLD AT THE TIME OF THE TRANSFER;**

19 **(2) THE COMBINED INCOME OF ALL INDIVIDUALS RESIDING IN THE**
20 **DWELLING DOES NOT EXCEED \$40,000;**

21 **(3) NEITHER THE ELIGIBLE SENIOR CITIZEN NOR ANY OTHER**
22 **INDIVIDUAL RESIDING IN THE DWELLING IS CLAIMING OR OTHERWISE RECEIVING**
23 **ANY OTHER EXEMPTION UNDER THIS SUBTITLE FOR ANOTHER PROPERTY LOCATED**
24 **IN THE STATE; AND**

25 **(4) THE APPLICATION REQUIREMENTS OF SUBSECTION (C) OF THIS**
26 **SECTION ARE MET.**

27 **(C) (1) AN ELIGIBLE SENIOR CITIZEN SHALL APPLY FOR AN EXEMPTION**
28 **UNDER THIS SECTION BY PROVIDING TO THE SUPERVISOR:**

29 **(I) THE NAMES AND SOCIAL SECURITY NUMBERS OF ALL**
30 **OWNERS OF THE PROPERTY FOR WHICH THE EXEMPTION IS CLAIMED;**

1 (II) A CERTIFICATION THAT THE ELIGIBLE SENIOR CITIZEN IS
2 AT LEAST 65 YEARS OLD, CURRENTLY RESIDES AT THE DWELLING, AND HAS RESIDED
3 AT THE DWELLING FOR AT LEAST 10 YEARS;

4 (III) EVIDENCE THAT THE COMBINED INCOME OF ALL
5 INDIVIDUALS RESIDING AT THE DWELLING DOES NOT EXCEED \$40,000; AND

6 (IV) A CERTIFICATION THAT NO TAXES ARE IN ARREARS FOR THE
7 PROPERTY.

8 (2) INFORMATION DESCRIBED UNDER PARAGRAPH (1)(I) AND (III) OF
9 THIS SUBSECTION MAY NOT BE INSPECTED BY INDIVIDUALS OTHER THAN:

10 (I) THE INDIVIDUALS DESCRIBED UNDER PARAGRAPH (1)(I) OF
11 THIS SUBSECTION; OR

12 (II) APPROPRIATE EMPLOYEES OF THE STATE, A COUNTY, OR A
13 MUNICIPAL CORPORATION.

14 (3) THE DEPARTMENT SHALL PROCESS EACH APPLICATION IN A
15 TIMELY MANNER.

16 (4) IN ORDER TO MAINTAIN THE PROPERTY TAX EXEMPTION
17 GRANTED IN ACCORDANCE WITH THIS SECTION, THE ELIGIBLE SENIOR CITIZEN
18 SHALL SUBMIT TO THE SUPERVISOR EACH YEAR, ON OR BEFORE THE DATE
19 DETERMINED BY THE DEPARTMENT, AN APPLICATION DEMONSTRATING THAT THE
20 ELIGIBLE SENIOR CITIZEN CONTINUES TO SATISFY THE REQUIREMENTS UNDER
21 SUBSECTION (B) OF THIS SECTION.

22 (D) EXCEPT AS PROVIDED UNDER SUBSECTION (B)(1) OF THIS SECTION, AN
23 EXEMPTION GRANTED UNDER THIS SECTION SHALL TERMINATE ON SALE OR
24 TRANSFER OF THE PROPERTY.

25 (E) EACH COUNTY SHALL INCLUDE INFORMATION ON THE PROPERTY TAX
26 BILL ABOUT THE AVAILABILITY OF THE PROPERTY TAX EXEMPTION FOR ELIGIBLE
27 SENIOR CITIZENS AUTHORIZED UNDER THIS SECTION.

28 (F) (1) THE STATE SHALL REMIT TO EACH COUNTY OR MUNICIPAL
29 CORPORATION AN AMOUNT EQUAL TO THE FUNDS THAT WOULD HAVE BEEN
30 COLLECTED IF THE PROPERTY TAX EXEMPTION UNDER THIS SECTION HAD NOT
31 BEEN GRANTED.

1 **(2) (I) FOR A COUNTY OR MUNICIPAL CORPORATION TO RECEIVE**
2 **A REIMBURSEMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION BY AUGUST 31 IN**
3 **ANY CALENDAR YEAR, THE COUNTY OR MUNICIPAL CORPORATION SHALL SUBMIT AN**
4 **ANNUAL REQUEST TO THE DEPARTMENT FOR THE AMOUNT REQUIRED UNDER**
5 **PARAGRAPH (1) OF THIS SUBSECTION ON OR BEFORE JUNE 30 THAT YEAR.**

6 **(II) ON RECEIPT OF THE REQUEST FROM A COUNTY OR**
7 **MUNICIPAL CORPORATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE**
8 **DEPARTMENT SHALL CERTIFY TO THE COMPTROLLER, ON OR BEFORE JULY 31, THE**
9 **REIMBURSEMENT DUE TO EACH COUNTY OR MUNICIPAL CORPORATION.**

10 **(III) ON RECEIPT OF THE CERTIFICATION FROM THE**
11 **DEPARTMENT UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE**
12 **COMPTROLLER SHALL REIMBURSE EACH COUNTY OR MUNICIPAL CORPORATION BY**
13 **TRANSFERRING FROM THE STATE LOTTERY FUND THE REIMBURSEMENT DUE ON**
14 **OR BEFORE AUGUST 31.**

15 **(3) IF A COUNTY OR MUNICIPAL CORPORATION SUBMITS ITS**
16 **REQUEST FOR THE AMOUNT REQUIRED UNDER PARAGRAPH (1) OF THIS**
17 **SUBSECTION AFTER JUNE 30:**

18 **(I) THE DEPARTMENT SHALL ISSUE ITS CERTIFICATION TO THE**
19 **COMPTROLLER WITHIN 30 DAYS AFTER RECEIPT OF THE REQUEST; AND**

20 **(II) THE COMPTROLLER SHALL REIMBURSE THE COUNTY OR**
21 **MUNICIPAL CORPORATION WITHIN 30 DAYS AFTER RECEIPT OF THE**
22 **CERTIFICATION.**

23 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
24 applicable to all taxable years beginning after June 30, 2022.

25 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June
26 1, 2022.