

SENATE BILL 269

Q1

(PRE-FILED)

4lr4506
CF HB 226

By: **Chair, Budget and Taxation Committee (By Request – Departmental – Housing and Community Development)**

Requested: September 21, 2023

Introduced and read first time: January 10, 2024

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Credit – Permanent Supportive Housing – Established**

3 FOR the purpose of establishing a property tax credit against the State, county, and
4 municipal corporation real property tax on certain properties that provide
5 permanent supportive housing; providing for the calculation of the tax credit;
6 providing for the recapture of the tax credit under certain circumstances; requiring
7 a certain reimbursement by the State to a county or municipal corporation for a
8 certain percentage of the tax credit; and generally relating to a property tax credit
9 against the real property tax on properties that provide permanent supportive
10 housing.

11 BY adding to
12 Article – Tax – Property
13 Section 9–112
14 Annotated Code of Maryland
15 (2019 Replacement Volume and 2023 Supplement)

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

18 **Article – Tax – Property**

19 **9–112.**

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

22 **(2) “ELIGIBLE PROPERTY” MEANS A NEWLY CONSTRUCTED**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 PROPERTY THAT CONTAINS ONE OR MORE PERMANENT SUPPORTIVE HOUSING
2 UNITS AND HAS BEEN ISSUED AN OCCUPANCY PERMIT WITHIN THE PAST TAXABLE
3 YEAR.

4 (3) "HOMELESS INDIVIDUAL" MEANS AN INDIVIDUAL MEETING THE
5 DEFINITION OF HOMELESS INDIVIDUAL UNDER 24 U.S.C. § 11302.

6 (4) "PERMANENT SUPPORTIVE HOUSING UNIT" MEANS A HOUSING
7 UNIT:

8 (I) THAT IS EXCLUSIVELY OCCUPIED BY A HOMELESS
9 INDIVIDUAL AND THE HOMELESS INDIVIDUAL'S FAMILY;

10 (II) FOR WHICH THE OWNER RECEIVES REFERRALS OF
11 HOMELESS INDIVIDUALS TO THE UNIT FROM A LOCAL CONTINUUM OF CARE, AS
12 DEFINED IN 24 C.F.R. 578.3, IN ACCORDANCE WITH THE CONTINUUM OF CARE'S
13 CENTRALIZED OR COORDINATED ASSESSMENT SYSTEM, AS DEFINED IN 24 C.F.R.
14 578.3;

15 (III) FOR WHICH THE OWNER HAS ENTERED INTO AN
16 AGREEMENT WITH AN AGENCY OR ENTITY TO OFFER SUPPORTIVE SERVICES TO THE
17 OCCUPANTS OF THE UNIT;

18 (IV) THAT CONTAINS A BEDROOM, KITCHEN, AND BATHROOM
19 THAT IS NOT SHARED WITH THE OCCUPANTS OF OTHER UNITS; AND

20 (V) THAT OPERATES IN ACCORDANCE WITH REGULATIONS
21 ADOPTED BY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

22 (B) THE STATE AND THE GOVERNING BODY OF EACH COUNTY AND OF EACH
23 MUNICIPAL CORPORATION SHALL GRANT A PROPERTY TAX CREDIT UNDER THIS
24 SECTION AGAINST THE STATE, COUNTY, AND MUNICIPAL CORPORATION REAL
25 PROPERTY TAX IMPOSED ON ELIGIBLE PROPERTY BY THE STATE, COUNTY, OR
26 MUNICIPAL CORPORATION.

27 (C) (1) ON OR BEFORE OCTOBER 1 OF EACH TAXABLE YEAR FOR WHICH
28 THE PROPERTY TAX CREDIT UNDER THIS SECTION IS SOUGHT, AN OWNER OF AN
29 ELIGIBLE PROPERTY MAY APPLY TO THE DEPARTMENT OF HOUSING AND
30 COMMUNITY DEVELOPMENT FOR THE PROPERTY TAX CREDIT.

31 (2) ON OR BEFORE JANUARY 1 OF EACH TAXABLE YEAR FOR WHICH
32 THE PROPERTY TAX CREDIT UNDER THIS SECTION IS SOUGHT, THE DEPARTMENT
33 OF HOUSING AND COMMUNITY DEVELOPMENT SHALL NOTIFY THE DEPARTMENT

1 OF THE TAX CREDITS THAT HAVE BEEN APPROVED.

2 (D) BEFORE PROPERTY TAX BILLS ARE SENT, THE DEPARTMENT SHALL
3 SUBMIT TO THE APPROPRIATE GOVERNING BODY A LIST OF EACH ELIGIBLE
4 PROPERTY.

5 (E) (1) FOR ELIGIBLE PROPERTIES WITH NOT MORE THAN TWO-THIRDS
6 OF THE TOTAL HOUSING UNITS CONSISTING OF PERMANENT SUPPORTIVE HOUSING
7 UNITS, THE PROPERTY TAX CREDIT UNDER THIS SECTION IS EQUAL TO 150% OF THE
8 TOTAL REAL PROPERTY TAX IMPOSED ON THE ELIGIBLE PROPERTY MULTIPLIED BY
9 THE PERCENTAGE OF THE TOTAL HOUSING UNITS THAT ARE PERMANENT
10 SUPPORTIVE HOUSING UNITS.

11 (2) FOR ELIGIBLE PROPERTIES WITH MORE THAN TWO-THIRDS OF
12 THE TOTAL HOUSING UNITS CONSISTING OF PERMANENT SUPPORTIVE HOUSING
13 UNITS, THE PROPERTY TAX CREDIT UNDER THIS SECTION IS EQUAL TO 100% OF THE
14 TOTAL REAL PROPERTY TAX IMPOSED ON THE ELIGIBLE PROPERTY MULTIPLIED BY
15 THE PERCENTAGE OF THE TOTAL HOUSING UNITS THAT ARE PERMANENT
16 SUPPORTIVE HOUSING UNITS.

17 (F) A PROPERTY TAX CREDIT GRANTED UNDER THIS SECTION IS EFFECTIVE
18 FOR 10 CONSECUTIVE TAXABLE YEARS BEGINNING JULY 1 FOLLOWING THE
19 APPROVAL OF A TAX CREDIT BY THE DEPARTMENT OF HOUSING AND COMMUNITY
20 DEVELOPMENT.

21 (G) THE STATE SHALL REMIT TO EACH COUNTY OR MUNICIPAL
22 CORPORATION AN AMOUNT EQUAL TO ONE-HALF OF THE FUNDS THAT WOULD HAVE
23 BEEN COLLECTED IF THE PROPERTY TAX CREDIT UNDER THIS SECTION HAD NOT
24 BEEN GRANTED.

25 (H) (1) (I) FOR A COUNTY OR MUNICIPAL CORPORATION TO RECEIVE
26 A REIMBURSEMENT UNDER SUBSECTION (G) OF THIS SECTION BY AUGUST 31 IN ANY
27 CALENDAR YEAR, THE COUNTY OR MUNICIPAL CORPORATION SHALL SUBMIT A
28 REQUEST TO THE DEPARTMENT FOR THE REIMBURSEMENT ON OR BEFORE JUNE 30
29 OF THAT YEAR.

30 (II) ON OR BEFORE JULY 31 AFTER THE DEPARTMENT
31 RECEIVES THE REQUEST FROM THE COUNTY OR MUNICIPAL CORPORATION UNDER
32 SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEPARTMENT SHALL CERTIFY TO
33 THE COMPTROLLER THE REIMBURSEMENT DUE TO EACH COUNTY OR MUNICIPAL
34 CORPORATION.

35 (III) ON OR BEFORE AUGUST 31 AFTER THE COMPTROLLER

1 RECEIVES THE CERTIFICATION FROM THE DEPARTMENT UNDER SUBPARAGRAPH
2 (II) OF THIS PARAGRAPH, THE COMPTROLLER SHALL REIMBURSE EACH COUNTY OR
3 MUNICIPAL CORPORATION.

4 (2) IF A COUNTY OR MUNICIPAL CORPORATION SUBMITS ITS
5 REQUEST FOR THE REIMBURSEMENT REQUIRED UNDER SUBSECTION (G) OF THIS
6 SECTION AFTER JUNE 30:

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

9 (II) THE COMPTROLLER SHALL REIMBURSE THE COUNTY OR
10 MUNICIPAL CORPORATION WITHIN 30 DAYS AFTER RECEIPT OF THE
11 CERTIFICATION.

12 (I) (1) THE DEPARTMENT OF HOUSING AND COMMUNITY
13 DEVELOPMENT MAY REQUIRE THAT THE OWNER OF AN ELIGIBLE PROPERTY ENTER
14 INTO A WRITTEN AGREEMENT REGARDING THE USE OF THE PROPERTY.

15 (2) THE DEPARTMENT OF HOUSING AND COMMUNITY
16 DEVELOPMENT MAY REQUIRE THAT AN AGREEMENT MADE UNDER THIS
17 SUBSECTION BE FILED IN THE OFFICIAL LAND RECORDS OF THE COUNTY WHERE
18 THE ELIGIBLE PROPERTY IS LOCATED.

19 (3) THE DEPARTMENT OF HOUSING AND COMMUNITY
20 DEVELOPMENT MAY ENFORCE AN AGREEMENT MADE UNDER THIS SUBSECTION IF
21 THE OWNER FAILS TO SATISFY THE REQUIREMENTS OF THE AGREEMENT.

22 (4) THE DEPARTMENT OF HOUSING AND COMMUNITY
23 DEVELOPMENT MAY REQUIRE MONITORING, INSPECTION, AND DOCUMENTATION IN
24 ACCORDANCE WITH REGULATIONS ADOPTED UNDER THIS SECTION.

25 (J) (1) THE UNITS DESIGNATED AS PERMANENT SUPPORTIVE HOUSING
26 UNITS WITHIN THE ELIGIBLE PROPERTY SHALL REMAIN PERMANENT SUPPORTIVE
27 HOUSING UNITS FOR A PERIOD OF 10 YEARS.

28 (2) IF THE DEPARTMENT OF HOUSING AND COMMUNITY
29 DEVELOPMENT FINDS THAT AN ELIGIBLE PROPERTY IS NO LONGER MAINTAINING
30 ITS DESIGNATED UNITS AS PERMANENT SUPPORTIVE HOUSING UNITS IN
31 ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION, THE OWNER OF THE
32 ELIGIBLE PROPERTY SHALL REPAY THE PROPERTY TAX CREDIT GRANTED UNDER
33 THIS SECTION FOR THE PERIOD OF NONCOMPLIANCE.

1 **(K) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**
2 **SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
4 1, 2025, and shall be applicable to all taxable years beginning after June 30, 2025.