

Chapter 530

(House Bill 404)

AN ACT concerning

Property Tax – ~~Statewide Optional Credit for Homeowners Who Have Suffered a Hardship~~ Local Homeowners' Credit Supplement – Limitation on Combined Gross Income

FOR the purpose of ~~authorizing the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to grant, by law, a property tax credit against the county or municipal corporation property tax imposed on a dwelling that is owned by a homeowner whose combined gross income exceeds a certain amount if the homeowner demonstrates certain criteria, including that the homeowner suffered a certain hardship; repealing as redundant a provision of law authorizing the same property tax credit in Baltimore County; and generally relating to a statewide optional property tax credit for homeowners who have suffered a hardship~~ authorizing counties and municipal corporations to alter a certain limitation on the combined gross income of a homeowner for purposes of a local supplement to the homeowners' property tax credit; and generally relating to local supplements to the homeowners' property tax credit.

~~BY repealing~~

~~Article – Tax – Property
Section 9–305(h)
Annotated Code of Maryland
(2019 Replacement Volume and 2022 Supplement)~~

~~BY renumbering~~

~~Article – Tax – Property
Section 9–305(i)
to be Section 9–305(h)
Annotated Code of Maryland
(2019 Replacement Volume and 2022 Supplement)~~

~~BY adding to~~

~~Article – Tax – Property
Section 9–268
Annotated Code of Maryland
(2019 Replacement Volume and 2022 Supplement)~~

BY repealing and reenacting, with amendments,

Article – Tax – Property
Section 9–215 and 9–215.1
Annotated Code of Maryland
(2019 Replacement Volume and 2022 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, ~~That Section(s) 9-305(h) of Article Tax Property of the Annotated Code of Maryland be repealed.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 9-305(i) of Article Tax Property of the Annotated Code of Maryland be renumbered to be Section(s) 9-305(h).~~

~~SECTION 3. AND BE IT FURTHER ENACTED,~~ That the Laws of Maryland read as follows:

Article – Tax – Property

~~9-268.~~

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

~~(2) “COMBINED INCOME” HAS THE MEANING STATED IN § 9-104 OF THIS TITLE.~~

~~(3) “DWELLING” HAS THE MEANING STATED IN § 9-104 OF THIS TITLE.~~

~~(4) “HARDSHIP” MEANS:~~

~~(I) AN ILLNESS OR ACCIDENT-RELATED INJURY OF A HOMEOWNER OR A MEMBER OF THE HOMEOWNER’S IMMEDIATE FAMILY; OR~~

~~(II) A PROPERTY CASUALTY EVENT AT THE HOMEOWNER’S DWELLING.~~

~~(5) “HOMEOWNER” HAS THE MEANING STATED IN § 9-104 OF THIS TITLE.~~

~~(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON A DWELLING THAT IS OWNED BY A HOMEOWNER WHOSE COMBINED INCOME EXCEEDS \$60,000 IF THE HOMEOWNER DEMONSTRATES THAT:~~

~~(1) THE HOMEOWNER WAS DENIED THE PROPERTY TAX CREDIT UNDER § 9-104 OF THIS TITLE FOR HAVING A COMBINED INCOME THAT EXCEEDS \$60,000;~~

~~(2) THE HOMEOWNER SUFFERED A HARDSHIP IN THE CALENDAR YEAR THAT PRECEDES THE YEAR IN WHICH THE HOMEOWNER APPLIES FOR THE CREDIT;~~

~~(3) THE HOMEOWNER PAID OR INCURRED EXPENSES RELATING TO THE HARDSHIP THAT RESULTED IN SIGNIFICANT FINANCIAL DISTRESS FOR THE HOMEOWNER; AND~~

~~(4) THE HOMEOWNER'S COMBINED INCOME WOULD NOT HAVE EXCEEDED \$60,000 IF NOT FOR EXPENSES RELATED TO THE HARDSHIP.~~

~~(C) THE HOMEOWNER SHALL INCLUDE, IN THE FORM REQUIRED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION, AN ITEMIZED LIST OF ALL SOURCES OF INCOME AND EXPENSES OF THE HOMEOWNER, INCLUDING EXPENSES RELATED TO THE HARDSHIP.~~

~~(D) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION MAY ESTABLISH, BY LAW:~~

~~(1) THE AMOUNT AND DURATION OF THE TAX CREDIT;~~

~~(2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT;~~

~~(3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND~~

~~(4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX CREDIT.~~

9-215.

(a) The Mayor and City Council of Baltimore City or the governing body of a county may grant, by law, a local supplement to the Homeowners Property Tax Credit Program provided under § 9-104 of this title.

(b) The county or Baltimore City may not obtain reimbursement under § 9-104(s) of this title for the amount of the local supplement authorized under this section.

(c) The county shall notify the Department of the enactment of the local supplement and any change in the local supplement in accordance with any guidelines specified by the Department.

(d) (1) The Department is responsible for the administrative duties that relate to the application and determination of eligibility for a property tax credit under this section.

(2) The county shall reimburse the Department for the reasonable cost of administering the Tax Credit Program under this section.

(e) (1) Except as provided in paragraph (2) of this subsection, the local supplement authorized in accordance with subsection (a) of this section shall be subject to the provisions of the State Homeowners Property Tax Credit Program provided under § 9–104 of this title.

(2) The Mayor and City Council of Baltimore City or the governing body of a county:

(i) may alter, by law, the following provisions for purposes of a local supplement granted under this section:

1. the limitation on the assessed value of a dwelling taken into account in determining total real property tax under § 9–104(a)(13) of this title;

2. the percentages and combined income levels specified under § 9–104(g) of this title; and

3. the limitation on combined net worth **OR COMBINED GROSS INCOME** of the homeowner under § 9–104(j) of this title; and

(ii) may provide, by law, for limitations on eligibility for a local supplement granted under this section in addition to the requirements for eligibility under § 9–104 of this title.

(3) The additional eligibility criteria provided under paragraph (2)(ii) of this subsection may include:

(i) criteria limiting eligibility for a local supplement granted under this section to homeowners:

1. who have reached a certain age;

2. who have resided in their dwellings for more than a certain number of years; or

3. whose assessments have increased more than a certain percentage over a certain period of time;

(ii) any combination of the criteria specified in item (i) of this paragraph; and

(iii) any additional criteria for eligibility that the Mayor and City Council of Baltimore City or the governing body of a county determine to be necessary or appropriate.

9-215.1.

(a) The governing body of a municipal corporation may grant, by law, a local supplement to the Homeowners Property Tax Credit Program provided under § 9-104 of this title.

(b) The municipal corporation may not obtain reimbursement under § 9-104(s) of this title for the amount of the local supplement authorized under this section.

(c) The municipal corporation shall notify the Department of the enactment of the local supplement and any change in the local supplement in accordance with any guidelines specified by the Department.

(d) The municipal corporation is responsible for the administrative duties that relate to the application, determination of eligibility, and payment of a property tax credit under this section.

(e) The amount of the local supplement authorized in accordance with subsection (a) of this section shall not exceed the net property tax liability due after providing for any State property tax credit authorized under § 9-104 of this title and any local supplement to the homeowners property tax credit authorized under § 9-215 of this subtitle.

(f) (1) Except as provided in paragraph (2) of this subsection, the local supplement authorized in accordance with subsection (a) of this section shall be subject to the provisions of the State Homeowners Property Tax Credit Program provided under § 9-104 of this title.

(2) The governing body of a municipal corporation:

(i) may alter, by law, the following provisions for purposes of a local supplement granted under this section:

1. the limitation on the assessed value of a dwelling taken into account in determining total real property tax under § 9-104(a)(13) of this title;

2. the percentages and combined income levels specified under § 9–104(h) of this title; and

3. the limitation on combined net worth **OR COMBINED GROSS INCOME** of the homeowner under [~~§ 9–104(k)~~] **§ 9–104(J)** of this title; and

(ii) may provide, by law, for limitations on eligibility for a local supplement granted under this section in addition to the requirements for eligibility under § 9–104 of this title.

(3) The additional eligibility criteria provided under paragraph (2)(ii) of this subsection may include:

(i) criteria limiting eligibility for a local supplement granted under this section to homeowners:

1. who have reached a certain age;

2. who have resided in their dwelling for more than a certain number of years; or

3. whose assessments have increased more than a certain percentage over a certain period of time;

(ii) any combination of the criteria specified in item (i) of this paragraph; and

(iii) any additional criteria for eligibility that the governing body of a municipal corporation determines to be necessary or appropriate.

SECTION ~~4~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2023, and shall be applicable to all taxable years beginning after June 30, 2023.

Approved by the Governor, May 8, 2023.