HOUSE BILL 404

Q1 3lr1537

By: **Delegates Feldmark, Ebersole, Hill, D. Jones, Lehman, Ruth, Shetty, and Smith**

Introduced and read first time: January 27, 2023
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Property Tax – Statewide Optional Credit for Homeowners Who Have Suffered a Hardship

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.

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

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

(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GENERAL ASSEMBLY OF MARYLAND, That Section(s) 9–305(h) of Article – Tax – Property of the Annotated Code of Maryland be repealed.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.

SECTION 4. 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.