

# HOUSE BILL 1214

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By: **Delegates R. Long and Hornberger**

Introduced and read first time: February 6, 2025

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Homestead Property Tax Credit – First-Time Homebuyer**

3 FOR the purpose of establishing the taxable assessment to be used for the calculation of  
4 the homestead property tax credit for first-time homebuyers in the State; and  
5 generally relating to the homestead property tax credit.

6 BY repealing and reenacting, without amendments,  
7 Article – Tax – Property  
8 Section 9–105(a)(1) and (b)  
9 Annotated Code of Maryland  
10 (2019 Replacement Volume and 2024 Supplement)

11 BY adding to  
12 Article – Tax – Property  
13 Section 9–105(a)(7) and (d)(9)  
14 Annotated Code of Maryland  
15 (2019 Replacement Volume and 2024 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article – Tax – Property  
18 Section 9–105(a)(7) through (9) and (d)(1), 9–305(e)(1)(iii), and 14–801(c)  
19 Annotated Code of Maryland  
20 (2019 Replacement Volume and 2024 Supplement)

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

### **Article – Tax – Property**

24 9–105.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) In this section the following words have the meanings indicated.

2 (7) “FIRST-TIME HOMEBUYER” MEANS AN INDIVIDUAL WHO IS A  
3 RESIDENT OF THE STATE AND WHO HAS NOT HAD A LEGAL INTEREST, INDIVIDUALLY  
4 OR OTHERWISE, IN A DWELLING IN ANY STATE.

5 [(7)] (8) “Homeowner” means an individual who has a legal interest in a  
6 dwelling or who is an active member of an agricultural ownership entity that has a legal  
7 interest in a dwelling.

8 [(8)] (9) “Legal interest” means an interest in a dwelling:

9 (i) as a sole owner;

10 (ii) as a joint tenant;

11 (iii) as a tenant in common;

12 (iv) as a tenant by the entirety;

13 (v) through membership in a cooperative;

14 (vi) under a land installment contract, as defined in § 10–101 of the  
15 Real Property Article;

16 (vii) as a holder of a life estate; or

17 (viii) as a settlor, grantor, or beneficiary of a trust if:

18 1. the settlor, grantor, or beneficiary of the trust does not pay  
19 rent or other remuneration to reside in the dwelling; and

20 2. legal title to the dwelling is held in the name of the trust  
21 or in the names of the trustees for the trust.

22 [(9)] (10) (I) [“Taxable] EXCEPT AS PROVIDED IN SUBPARAGRAPH  
23 (II) OF THIS PARAGRAPH, “TAXABLE assessment” means the assessment on which the  
24 property tax rate was imposed in the preceding taxable year, adjusted by the phased-in  
25 assessment increase resulting from a revaluation under § 8–104(c)(1)(iii) of this article, less  
26 the amount of any assessment on which a property tax credit under this section is  
27 authorized.

28 (II) NOTWITHSTANDING SUBSECTION (D)(1)(I) OF THIS  
29 SECTION, FOR THE FIRST TAXABLE YEAR FOR WHICH A FIRST-TIME HOMEBUYER  
30 OWES PROPERTY TAXES ON A DWELLING, “TAXABLE ASSESSMENT” MEANS THE  
31 ASSESSMENT ON WHICH THE PROPERTY TAX RATE WAS IMPOSED IN THE PRECEDING

1 TAXABLE YEAR FOR THE PREVIOUS OWNER, ADJUSTED BY THE PHASED-IN  
 2 ASSESSMENT INCREASE RESULTING FROM A REVALUATION UNDER §  
 3 8-104(C)(1)(III) OF THIS ARTICLE, LESS THE AMOUNT OF ANY ASSESSMENT ON  
 4 WHICH A PROPERTY TAX CREDIT UNDER THIS SECTION IS AUTHORIZED.

5 (b) (1) If there is an increase in property assessment as calculated under this  
 6 section, the State and the governing body of each county and of each municipal corporation  
 7 shall grant a property tax credit under this section against the State, county, and municipal  
 8 corporation property tax imposed on real property by the State, county, or municipal  
 9 corporation.

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

13 (d) (1) Subject to the provisions of paragraph (6) of this subsection AND  
 14 EXCEPT AS PROVIDED IN PARAGRAPH (9) OF THIS SUBSECTION, the Department shall  
 15 authorize and the State, a county, or a municipal corporation shall grant a property tax  
 16 credit under this section for a taxable year unless during the previous taxable year:

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

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

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

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

24 (9) NOTWITHSTANDING PARAGRAPH (1)(I) OF THIS SUBSECTION AND  
 25 SUBJECT TO THE PROVISIONS OF PARAGRAPH (6) OF THIS SUBSECTION, THE  
 26 DEPARTMENT SHALL AUTHORIZE AND THE STATE, A COUNTY, OR A MUNICIPAL  
 27 CORPORATION SHALL GRANT A PROPERTY TAX CREDIT UNDER THIS SECTION TO A  
 28 FIRST-TIME HOMEBUYER BEGINNING WITH THE FIRST TAXABLE YEAR IN WHICH THE  
 29 FIRST-TIME HOMEBUYER HAS A LEGAL INTEREST IN THE DWELLING.

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

32 **Article – Tax – Property**

33 9-305.

1 (e) (1) Subject to paragraphs (2) and (3) of this subsection, the governing body  
2 of Baltimore County may grant, by law, a property tax credit against the county property  
3 tax imposed on residential real property that is:

4 (iii) used as the principal residence of a homeowner as defined in [§  
5 9–105(a)(7)] **§ 9–105** of this title; and  
6 14–801.

7 (c) “Owner–occupied residential property” means, with respect to a property  
8 located in Baltimore City, the principal residence of a homeowner as defined in [§  
9 9–105(a)(7)] **§ 9–105** of this article.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
11 1, 2025, and Section 1 of this Act shall be applicable to all taxable years beginning after  
12 June 30, 2025.