HOUSE BILL 1289

Q1 1lr2649

By: Delegate Amprey

Introduced and read first time: February 8, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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Homestead Property Tax Credit – Notice Requirements and Application Waiver for First-Time Homebuyers

4 FOR the purpose of requiring a contract for the sale of residential property to a certain 5 first-time homebuyer in the State to include a certain statement relating to the 6 homestead property tax credit; requiring the statement to be signed and dated by 7 the homebuyer; requiring the State Department of Assessments and Taxation to 8 develop a certain form including a certain statement; requiring a certain vendor, at 9 the initial sale of the first lot in a certain development to a certain individual, to 10 deliver in a certain manner a certain statement to homeowners within a certain 11 distance of the development; providing that the application requirement for the 12 homestead property tax credit does not apply to a first-time homebuyer in the State; 13 requiring the Department to provide certain information in a certain notice; requiring the Department to develop and make available certain statements for 14 certain purposes; and generally relating to the homestead property tax credit. 15

16 BY adding to

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17 Article – Real Property

Section 10–711 and 11B–105.1

19 Annotated Code of Maryland

20 (2015 Replacement Volume and 2020 Supplement)

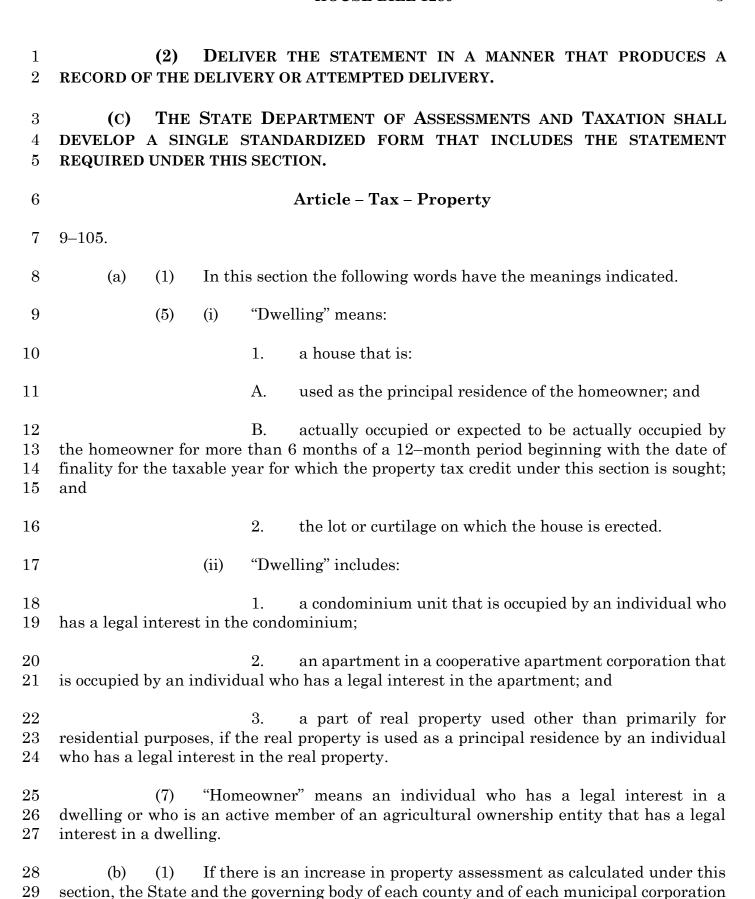
- 21 BY repealing and reenacting, without amendments,
- 22 Article Tax Property
- 23 Section 9–105(a)(1), (5), and (7) and (b)
- 24 Annotated Code of Maryland
- 25 (2019 Replacement Volume and 2020 Supplement)
- 26 BY repealing and reenacting, with amendments,
- 27 Article Tax Property
- 28 Section 9–105(d) and (f)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 Annotated Code of Maryland
- 2 (2019 Replacement Volume and 2020 Supplement)
- 3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 4 That the Laws of Maryland read as follows:
- 5 Article Real Property
- 6 **10–711.**
- 7 (A) A CONTRACT FOR THE SALE OF RESIDENTIAL PROPERTY TO AN
- 8 INDIVIDUAL WHO IS A FIRST-TIME HOMEBUYER IN THE STATE AND WHO INTENDS
- 9 TO OCCUPY THE PROPERTY AS THE INDIVIDUAL'S PRINCIPAL RESIDENCE SHALL
- 10 INCLUDE A WRITTEN STATEMENT THAT PROVIDES DETAILS, INCLUDING
- 11 ELIGIBILITY REQUIREMENTS, FOR THE HOMESTEAD PROPERTY TAX CREDIT UNDER
- 12 § 9–105 OF THE TAX PROPERTY ARTICLE.
- 13 (B) THE STATEMENT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION
- 14 SHALL BE:
- 15 (1) DATED AND SIGNED BY THE BUYER; AND
- 16 (2) INCLUDED IN OR ATTACHED TO THE CONTRACT OF SALE.
- 17 (C) THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL
- 18 DEVELOP A SINGLE STANDARDIZED FORM THAT INCLUDES THE STATEMENT
- 19 REQUIRED UNDER THIS SECTION.
- 20 **11B–105.1**.
- 21 (A) AT THE TIME OF THE INITIAL SALE OF THE FIRST LOT IN A
- 22 DEVELOPMENT CONTAINING MORE THAN 12 LOTS TO A MEMBER OF THE PUBLIC
- 23 WHO INTENDS TO OCCUPY OR RENT THE LOT FOR RESIDENTIAL PURPOSES, THE
- 24 VENDOR SHALL DELIVER TO EACH HOMEOWNER WITHIN A 1-MILE RADIUS OF THE
- 25 DEVELOPMENT A WRITTEN STATEMENT THAT PROVIDES DETAILS, INCLUDING
- 26 ELIGIBILITY REQUIREMENTS, FOR THE HOMESTEAD PROPERTY TAX CREDIT UNDER
- 27 § 9–105 OF THE TAX PROPERTY ARTICLE ON A FORM PROVIDED BY THE STATE
- 28 DEPARTMENT OF ASSESSMENTS AND TAXATION.
- 29 **(B)** THE VENDOR SHALL:
- 30 (1) IN GOOD FAITH, MAKE A REASONABLE EFFORT TO IDENTIFY THE
- 31 INDIVIDUALS WHO SHOULD BE PROVIDED THE STATEMENT UNDER THIS SECTION;
- 32 AND

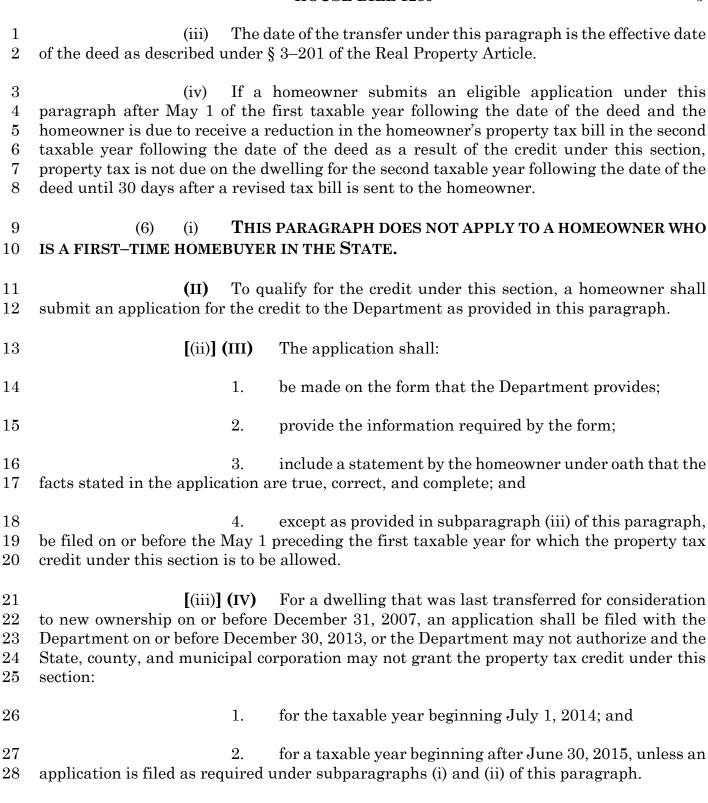


shall grant a property tax credit under this section against the State, county, and municipal

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1 corporation property tax imposed on real property by the State, county, or municipal corporation.

- 3 (2) A property tax credit granted under this section shall be applicable to any State, county, or municipal corporation property tax and any property tax imposed for a bicounty commission.
- 6 (d) (1) Subject to the provisions of paragraph (6) of this subsection, the 7 Department shall authorize and the State, a county, or a municipal corporation shall grant 8 a property tax credit under this section for a taxable year unless during the previous 9 taxable year:
- 10 (i) the dwelling was transferred for consideration to new ownership;
- 11 (ii) the value of the dwelling was increased due to a change in the 12 zoning classification of the dwelling initiated or requested by the homeowner or anyone 13 having an interest in the property;
- 14 (iii) the use of the dwelling was changed substantially; or
- 15 (iv) the assessment of the dwelling was clearly erroneous due to an error in calculation or measurement of improvements on the real property.
- 17 (2) A homeowner must actually reside in the dwelling by July 1 of the taxable year for which the property tax credit under this section is to be allowed.
- 19 (3) A homeowner may claim a property tax credit under this section for 20 only 1 dwelling.
- 21 (4) If a property tax credit under this section is less than \$1 in any taxable 22 year, the tax credit may not be granted.
- (5) (i) If the dwelling was transferred for consideration in a deed dated on or after January 1 but before the beginning of the next taxable year and the deed was recorded with the clerk of the circuit court or the Department on or after July 1 but before September 1 of the next taxable year, the new owner may submit a written application to the Department on or before September 1 of the second taxable year following the date of the deed requesting that the date of the deed be accepted by the Department as the date of transfer under paragraph (1) of this subsection.
- 30 (ii) 1. The applicant shall submit with the written application a 31 copy of the executed deed evidencing the date of the transfer.
- 32 2. If the applicant fails to submit a copy of the executed deed 33 as required under subsubparagraph 1 of this subparagraph, the Department shall deny the 34 application.



and failed to qualify for 1 taxable year because of a failure to file the application required

If a dwelling previously received a credit under this section

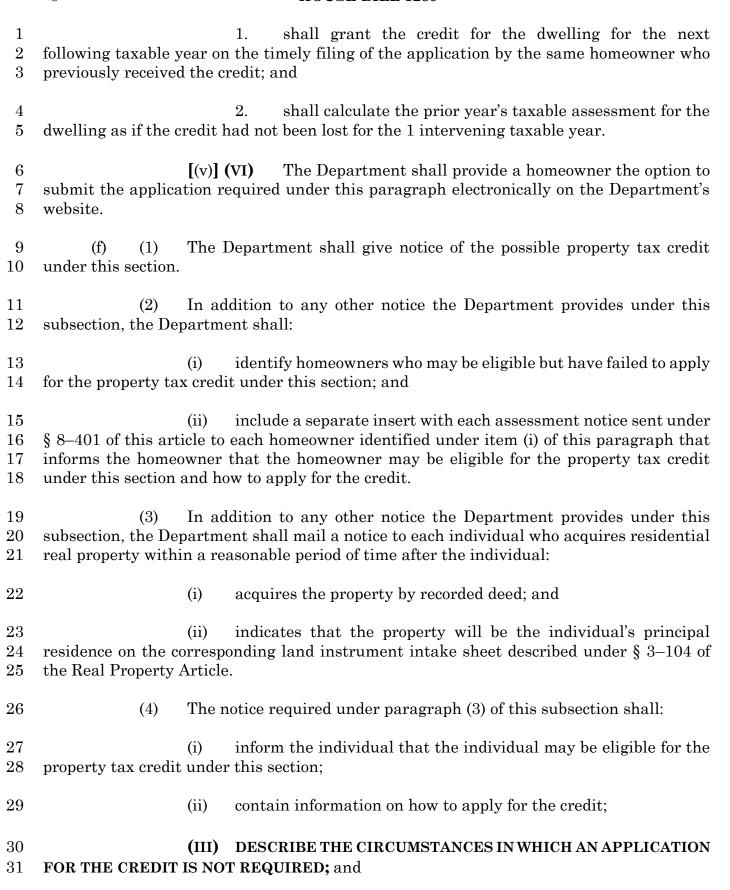
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[(iv)] **(V)**

under this paragraph, the Department:



- [(iii)] (IV) inform the individual that the individual may apply to the Department to have the date of the deed accepted as the date of transfer of the property for purposes of the credit as provided in subsection (d)(5) of this section.
- 4 (5) (I) THE DEPARTMENT SHALL DEVELOP A SINGLE 5 STANDARDIZED FORM THAT INCLUDES A STATEMENT THAT PROVIDES DETAILS, 6 INCLUDING ELIGIBILITY REQUIREMENTS, FOR THE CREDIT UNDER THIS SECTION.
- 7 (II) THE FORM REQUIRED UNDER THIS PARAGRAPH SHALL BE 8 MADE AVAILABLE:
- 9 1. FOR INCLUSION IN OR AS AN ATTACHMENT TO A
 10 CONTRACT OF SALE OF RESIDENTIAL REAL PROPERTY IN ACCORDANCE WITH §
 11 10-711 OF THE REAL PROPERTY ARTICLE; AND
- 2. FOR DELIVERY BY A VENDOR AT THE TIME OF THE INITIAL SALE OF THE FIRST LOT IN A DEVELOPMENT CONTAINING MORE THAN 12 LOTS IN ACCORDANCE WITH § 11B–105.1 OF THE REAL PROPERTY ARTICLE.
- 15 **[(5)] (6)** The Department shall ensure that the information it provides 16 under this subsection is accurate and up—to—date.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2021.