

HOUSE BILL 565

Q1, D4

2lr1398
CF SB 525

By: **Delegates Zucker, Hixson, Arora, Ivey, Kaiser, Luedtke, A. Miller, Mitchell, S. Robinson, Rosenberg, Ross, Stukes, Summers, Vaughn, Vitale, and Walker**

Introduced and read first time: February 3, 2012

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Homestead Property Tax Credit – Eligibility – Child Support Payments**

3 FOR the purpose of authorizing the Child Support Enforcement Administration to
4 send a certain certification to the State Department of Assessments and
5 Taxation concerning certain child support obligors; requiring the
6 Administration to send a certain notice to certain obligors; providing for the
7 right of an obligor to challenge the Administration’s certification by requesting
8 an investigation within a certain time frame; requiring the Administration to
9 conduct a certain investigation and notify the obligor of the outcome; requiring
10 the Administration to correct a certain amount under certain circumstances;
11 authorizing the Administration and obligor to negotiate a payment plan;
12 prohibiting the Administration from notifying the Department under certain
13 circumstances; requiring the Department to revoke the homestead property tax
14 credit of certain homeowners under certain circumstances; prohibiting the
15 Department from revoking the homestead property tax credit under certain
16 circumstances; authorizing the Administration and the Department to adopt
17 certain regulations; providing for the application of this Act; providing for a
18 delayed effective date; and generally relating to eligibility of certain child
19 support obligors for the homestead property tax credit.

20 BY adding to

21 Article – Family Law

22 Section 10–113.3

23 Annotated Code of Maryland

24 (2006 Replacement Volume and 2011 Supplement)

25 BY repealing and reenacting, without amendments,

26 Article – Tax – Property

27 Section 9–105(a)(1), (5), and (7) through (9)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2007 Replacement Volume and 2011 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article – Tax – Property
5 Section 9–105(b)(1)
6 Annotated Code of Maryland
7 (2007 Replacement Volume and 2011 Supplement)

8 BY adding to
9 Article – Tax – Property
10 Section 9–105(i–1)
11 Annotated Code of Maryland
12 (2007 Replacement Volume and 2011 Supplement)

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

15 **Article – Family Law**

16 **10–113.3.**

17 **(A) (1) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (B) THROUGH**
18 **(D) OF THIS SECTION, ON OR BEFORE APRIL 15 OF EACH YEAR, THE**
19 **ADMINISTRATION MAY CERTIFY TO THE DEPARTMENT OF ASSESSMENTS AND**
20 **TAXATION ANY OBLIGOR WHO IS IN ARREARS UNDER A CHILD SUPPORT ORDER**
21 **IF:**

22 **(I) THE AMOUNT OF ARREARS EXCEEDS \$150; AND**

23 **(II) THE ADMINISTRATION IS PROVIDING SERVICES IN THE**
24 **CASE UNDER TITLE IV, PART D OF THE FEDERAL SOCIAL SECURITY ACT.**

25 **(2) THE CERTIFICATION SHALL INCLUDE:**

26 **(I) THE FULL NAME OF THE OBLIGOR AND ANY OTHER**
27 **NAME KNOWN TO BE USED BY THE OBLIGOR; AND**

28 **(II) THE ADDRESS AND SOCIAL SECURITY NUMBER OF THE**
29 **OBLIGOR.**

30 **(B) BEFORE THE ADMINISTRATION SENDS A CERTIFICATION TO THE**
31 **DEPARTMENT OF ASSESSMENTS AND TAXATION, THE ADMINISTRATION SHALL**
32 **NOTIFY THE OBLIGOR THAT:**

1 (1) A CERTIFICATION MAY BE MADE BY THE ADMINISTRATION;

2 (2) THE DEPARTMENT OF ASSESSMENTS AND TAXATION MAY
3 REVOKE THE HOMESTEAD PROPERTY TAX CREDIT THAT THE OBLIGOR
4 RECEIVES;

5 (3) THE OBLIGOR HAS A RIGHT TO REQUEST AN INVESTIGATION
6 AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION; AND

7 (4) THE OBLIGOR MAY CONTACT THE ADMINISTRATION TO
8 NEGOTIATE A PAYMENT PLAN UNDER SUBSECTION (D) OF THIS SECTION.

9 (C) (1) WITHIN 30 DAYS OF THE DATE OF THE NOTICE TO THE
10 OBLIGOR UNDER SUBSECTION (B) OF THIS SECTION, AN OBLIGOR WHO
11 DISPUTES THE EXISTENCE OR AMOUNT OF THE ARREARAGE MAY REQUEST THAT
12 THE ADMINISTRATION CONDUCT AN INVESTIGATION OF THE ARREARAGE.

13 (2) (I) ON RECEIPT OF A REQUEST FOR INVESTIGATION FROM
14 THE OBLIGOR, THE ADMINISTRATION SHALL CONDUCT AN INVESTIGATION AS
15 TO THE EXISTENCE OR AMOUNT OF THE ARREARAGE.

16 (II) ON COMPLETION OF THE INVESTIGATION, THE
17 ADMINISTRATION SHALL NOTIFY THE OBLIGOR OF THE OUTCOME OF THE
18 INVESTIGATION.

19 (III) AFTER THE INVESTIGATION, IF THE ADMINISTRATION
20 FINDS THERE IS AN ERROR, THE ADMINISTRATION SHALL CORRECT THE
21 AMOUNT OF THE REPORTED ARREARAGE.

22 (IV) IF A CORRECTION RESULTS IN AN AMOUNT OF \$150 OR
23 LESS IN ARREARS, THE ADMINISTRATION MAY NOT MAKE A CERTIFICATION TO
24 THE DEPARTMENT OF ASSESSMENTS AND TAXATION UNDER THIS SECTION.

25 (D) (1) WITHIN 30 DAYS OF THE DATE OF THE NOTICE SENT TO THE
26 OBLIGOR UNDER SUBSECTION (B) OF THIS SECTION, AN OBLIGOR MAY CONTACT
27 THE ADMINISTRATION TO NEGOTIATE A PAYMENT PLAN.

28 (2) IF THE ADMINISTRATION AND OBLIGOR AGREE TO A PAYMENT
29 PLAN, THE ADMINISTRATION MAY NOT MAKE A CERTIFICATION TO THE
30 DEPARTMENT OF ASSESSMENTS AND TAXATION UNDER THIS SECTION.

31 (E) ON RECEIPT OF A CERTIFICATION FROM THE ADMINISTRATION,
32 THE DEPARTMENT OF ASSESSMENTS AND TAXATION SHALL REVOKE THE

1 HOMESTEAD PROPERTY TAX CREDIT FOR THE FOLLOWING TAX YEAR AS
2 PROVIDED UNDER § 9–105 OF THE TAX – PROPERTY ARTICLE.

3 (F) IF THE ADMINISTRATION DETERMINES THAT AN OBLIGOR IS NO
4 LONGER MORE THAN \$150 IN ARREARS, THE ADMINISTRATION MAY CERTIFY
5 THAT FACT TO THE DEPARTMENT OF ASSESSMENTS AND TAXATION.

6 (G) THE SECRETARY OF HUMAN RESOURCES AND THE DIRECTOR OF
7 THE DEPARTMENT OF ASSESSMENTS AND TAXATION MAY ADOPT REGULATIONS
8 TO CARRY OUT THIS SECTION.

9 **Article – Tax – Property**

10 9–105.

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

12 (5) (i) “Dwelling” means:

13 1. a house that is:

14 A. used as the principal residence of the homeowner; and

15 B. actually occupied or expected to be actually occupied
16 by the homeowner for more than 6 months of a 12–month period beginning with the
17 date of finality for the taxable year for which the property tax credit under this section
18 is sought; and

19 2. the lot or curtilage on which the house is erected.

20 (ii) “Dwelling” includes:

21 1. a condominium unit that is occupied by an individual
22 who has a legal interest in the condominium;

23 2. an apartment in a cooperative apartment corporation
24 that is occupied by an individual who has a legal interest in the apartment; and

25 3. a part of real property used other than primarily for
26 residential purposes, if the real property is used as a principal residence by an
27 individual who has a legal interest in the real property.

28 (7) “Homeowner” means an individual who has a legal interest in a
29 dwelling or who is an active member of an agricultural ownership entity that has a
30 legal interest in a dwelling.

- 1 (8) “Legal interest” means an interest in a dwelling:
- 2 (i) as a sole owner;
- 3 (ii) as a joint tenant;
- 4 (iii) as a tenant in common;
- 5 (iv) as a tenant by the entireties;
- 6 (v) through membership in a cooperative;
- 7 (vi) under a land installment contract, as defined in § 10–101 of
- 8 the Real Property Article; or
- 9 (vii) as a holder of a life estate.

10 (9) “Taxable assessment” means the assessment on which the property

11 tax rate was imposed in the preceding taxable year, adjusted by the phased-in

12 assessment increase resulting from a revaluation under § 8–104(c)(1)(iii) of this

13 article, less the amount of any assessment on which a property tax credit under this

14 section is authorized.

15 (b) (1) **[If] EXCEPT AS PROVIDED IN SUBSECTION (I–1) OF THIS**

16 **SECTION, IF** there is an increase in property assessment as calculated under this

17 section, the State and the governing body of each county and of each municipal

18 corporation shall grant a property tax credit under this section against the State,

19 county, and municipal corporation property tax imposed on real property by the State,

20 county, or municipal corporation.

21 **(I–1) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**

22 **PARAGRAPH, ON RECEIPT OF CERTIFICATION FROM THE CHILD SUPPORT**

23 **ENFORCEMENT ADMINISTRATION UNDER § 10–113.3(A) OF THE FAMILY LAW**

24 **ARTICLE, THE DEPARTMENT SHALL REVOKE THE PROPERTY TAX CREDIT**

25 **UNDER THIS SECTION FOR THE HOMEOWNER FOR THE TAXABLE YEAR**

26 **FOLLOWING THE TAXABLE YEAR IN WHICH THE DEPARTMENT RECEIVED THE**

27 **CERTIFICATION.**

28 **(II) THE DEPARTMENT MAY NOT REVOKE THE PROPERTY**

29 **TAX CREDIT UNDER THIS SECTION IF THE PROPERTY IS JOINTLY OWNED BY THE**

30 **CHILD SUPPORT OBLIGOR AND THE CUSTODIAL PARENT OR THE CUSTODIAL**

31 **PARENT RESIDES IN THE DWELLING.**

32 **(2) (I) IF THE DEPARTMENT REVOKES THE PROPERTY TAX**

33 **CREDIT UNDER THIS SECTION FOR A HOMEOWNER UNDER PARAGRAPH (1) OF**

34 **THIS SUBSECTION, THE HOMEOWNER IS NOT ELIGIBLE FOR THE PROPERTY TAX**

1 CREDIT UNDER THIS SECTION UNTIL THE DEPARTMENT RECEIVES A
2 CERTIFICATION FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION
3 UNDER § 10-113.3(F) OF THE FAMILY LAW ARTICLE.

4 (II) IF THE DEPARTMENT RECEIVES A CERTIFICATION
5 FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION UNDER §
6 10-113.3(F) OF THE FAMILY LAW ARTICLE BEFORE APRIL 15, THE
7 DEPARTMENT SHALL REINSTATE THE PROPERTY TAX CREDIT FOR THE
8 FOLLOWING TAX YEAR.

9 (III) IF THE DEPARTMENT RECEIVES A CERTIFICATION
10 FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION UNDER §
11 10-113.3(F) OF THE FAMILY LAW ARTICLE ON OR AFTER APRIL 15, THE
12 DEPARTMENT SHALL:

13 1. REINSTATE THE PROPERTY TAX CREDIT UNDER
14 THIS SECTION FOR THE SECOND FOLLOWING TAX YEAR; AND

15 2. CALCULATE THE PROPERTY TAX CREDIT UNDER
16 THIS SECTION AS IF THE CREDIT HAD NOT BEEN REVOKED FOR THE
17 INTERVENING TAX YEARS.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 June 1, 2013, and shall be applicable to all taxable years beginning after June 30,
20 2014.