

CITY OF BALTIMORE

STEPHANIE RAWLINGS-BLAKE, Mayor



DEPARTMENT OF LAW

GEORGE A. NILSON, City Solicitor  
101 City Hall  
Baltimore, Maryland 21202

March 23, 2012

Honorable President and Members  
of the City Council of Baltimore  
Room 409, City Hall  
100 N. Holliday Street  
Baltimore, Maryland 21202

Attn: Karen Randle Executive Secretary

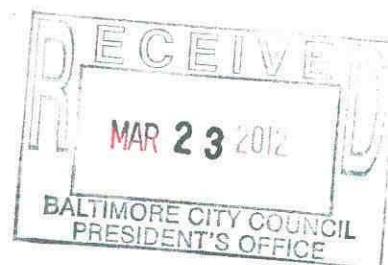
Re: City Council Bill No. 12-0040 –Targeted Homeowners Tax Credit –  
Tax Credit Disclosures

Dear President and City Council Members:

You have requested the advice of the Law Department regarding City Council Bill 12-0040. City Council Bill 40 creates a tax credit for certain owner occupied residential properties and requires disclosure by sellers of tax credits available to City home buyers.

Maryland Ann. Code, Tax Property Art., Sec. 9-221 grants authority to the Mayor and City council to enact a credit under the parameters set forth in that section. The credit must be granted by law, which means City Council legislation is required. The credit is only available to offset increases in county income tax revenues resulting from an income tax rate in excess of 2.6% and is available only for owner-occupied property of a homeowner. The legislation may provide for the amount of the credit and any other provisions necessary to implement the credit.

The bill also requires that certain disclosures related to available tax credits be made by sellers of residential property. Article II, Section 17 of the Baltimore City Charter gives the Mayor and City Council the authority to regulate all businesses, trades, vocations or professions. Article II, Section 47 also grants the authority by ordinance to maintain the peace, good government, health and welfare of Baltimore City as long as there is no conflict with the Charter or the laws of the State. Pursuant to this authority, the Mayor and City Council have provided for consumer protection and have specifically regulated real estate practices in Articles 2, Subtitle 14 of the Baltimore City Code. As long as the bill does not require that the contract of sale contain the disclosure and does not prevent recording of the deed if disclosure does not occur, the disclosure language will not conflict with State law. The bill does not provide for any enforcement mechanism for this requirement.



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City Council Bill 12-0040 is consistent with the authority of the City Council. Accordingly, the Law Department approves City Council Bill 12-0040 for form and legal sufficiency.

Sincerely yours,



Elena R. DiPietro  
Chief Solicitor

cc: George A. Nilson, City Solicitor  
Angela Gibson, City Council Liaison, Mayor's Office  
Andrew Smullian  
Hilary Ruley  
Ashlea Brown  
Victor Tervalá