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**BALTIMORE CITY COUNCIL  
WAYS AND MEANS  
COMMITTEE**

*Mission Statement*

*The Committee on Ways and Means (WM)* is responsible for ensuring taxpayer dollars are expended prudently and equitably. WM will exercise regular oversight of the City's budget, expenditures, loans, and other financial matters. The committee's areas of jurisdiction include: budget & appropriations, taxation, financial services, consumer protection, audits, and the Comptroller's Office.

**The Honorable Eric T. Costello  
Chairman**

**PUBLIC HEARING**

**TUESDAY, JUNE 28, 2022  
9:59 AM**

**COUNCIL CHAMBERS**

**Council Bill #22-0212**

**Residential Retention Tax Credit - Amendment**

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**BILL SYNOPSIS**

**Committee:** Ways and Means

**Bill:** 22-0212

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**Residential Retention Tax Credit - Amendment**

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**Sponsor:** *President Mosby and et al*

**Introduced:** *March 21, 2022*

**Purpose:**

**For the purpose of** amending application requirements for the portable homestead tax credit; terminating the sunset of the credit; and generally relating to the portable homestead property tax credit.

**Effective:** *On the 30<sup>th</sup> date after the date it is enacted.*

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**Agency Reports**

Law Department	Defers to Finance
Department of Housing and Community Development	None received as of this writing
Baltimore Development Corporation	None received as of this writing
Department of Finance	None received as of this writing

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**Analysis**

**Current Law**

Article 28 – Taxes (Subtitle 10) of the Baltimore City Code outlines the rules, regulations and mandates for Tax Credits.

## Background

If approved, Council Bill 22-0212 would amend several sections of the Residential Retention Tax Credit, such as:

1. All applications sent to the Department of Finance for the credit:
  - If settlement on a newly purchased dwelling occurs and/or occurred between July 1, 2020 through June 30, 2022 – the application for the credit must be submitted to the Finance Department by **September 30, 2022**
  - All newly purchased dwellings that occurs after June 30, 2022, the application must be submitted to the Finance Department with **ninety (90) days of the settlement**.
2. Evaluation and Reporting Requirement Regarding the Efficiency of the Credit which is submitted by the Department of Finance:
  - Must be submitted by the Department by December 31, 2024 and every two (2) years thereafter.
3. The date listed for Termination of the Program / the (Sunset Date) will be terminated.

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## Additional Information

**Fiscal Note:** None

**Information Source(s):** City Code, Bill 22-0212 and all agency reports received as this writing. of this writing.

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*Marguerite M. Currin*

Analysis by: Marguerite M. Currin  
Analysis Date: June 23, 2022

Direct Inquiries to: (443) 984-3485

# **Council Bill #22-0212**

## **AGENCY REPORT(S)**

**SEE ATTACHED**

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CITY OF BALTIMORE

BRANDON M. SCOTT  
Mayor



DEPARTMENT OF LAW  
JAMES L. SHEA, CITY SOLICITOR  
100 N. HOLLIDAY STREET  
SUITE 101, CITY HALL  
BALTIMORE, MD 21202

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April 25, 2022

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

Re: City Council Bill 22-0212 – Residential Retention Tax Credit – Amendment

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 22-0212 for form and legal sufficiency. The General Assembly mandates that the City have a Residential Retention Tax Credit “against the county property tax imposed on a dwelling located in Baltimore City that is newly purchased by a *homeowner who has received a credit under § 9-105* of this title for the preceding 5 years for a dwelling located in Baltimore City.” Md. Code, Tax-Prop., § 9-304(g) (emphasis added); City Code, Art. 28, § 10-1.1. The General Assembly just updated Section 9-105 of the Tax-Property Article to allow for retroactive applications. 2022 Md. Laws, ch. 129. Thus, this City Council bill updates the City’s Residential Retention Tax Credit to be in line with these state changes.

The Law Department defers to the Finance Department as to the changes the bill makes to application deadlines.

The Law Department approves the bill for form and legal sufficiency.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Hilary Ruley".

Hilary Ruley  
Chief Solicitor

cc: James L. Shea, City Solicitor  
Matthew Stegman, Mayor’s Office of Government Relations  
Elena DiPietro, Chief Solicitor, General Counsel Division  
Ashlea Brown, Chief Solicitor  
Victor Tervalá, Chief Solicitor

**CITY OF BALTIMORE  
COUNCIL BILL 22-0212  
(First Reader)**

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Introduced by: President Mosby and Councilmember Costello

Introduced and read first time: March 21, 2022

Assigned to: Ways and Means Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Housing and Community Development, Baltimore Development Corporation, Department of Finance

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A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Residential Retention Tax Credit – Amendment**

3 FOR the purpose of amending application requirements for the portable homestead tax credit;  
4 terminating the sunset of the credit; and generally relating to the portable homestead property  
5 tax credit.

6 BY repealing and re-ordaining, with amendments

7 Article 28 - Taxes  
8 Sections 10-1.1(c), 10-1.1(k)  
9 Baltimore City Code  
10 (Edition 2000)

11 BY repealing

12 Article 28 - Taxes  
13 Section 10-1.1(l)  
14 Baltimore City Code  
15 (Edition 2000)

16 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the  
17 Laws of Baltimore City read as follows:

18 **Baltimore City Code**

19 **Article 28. Taxes**

20 **Subtitle 10. Credits**

21 **§ 10-1.1 Portable homestead.**

22 (c) *Qualifications.*

23 To qualify for the credit authorized by this section, the homeowner must:

24 (1) for the 5 tax years preceding the purchase of the new dwelling in Baltimore City:

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

**Council Bill 22-0212**

- 1 (i) have owned and occupied, as his or her principal residence, a dwelling in
- 2 the City; and
- 3 (ii) received a credit under State Tax-Property Article, § 9–105 {“Homestead
- 4 tax credit”} for that dwelling;
- 5 (2) occupy the newly purchased dwelling as his or her principal residence;
- 6 (3) submit an application to the Finance Director in the form and containing the
- 7 information that the Director requires[, for a credit under this section] EITHER:
- 8 (I) WITHIN 90 DAYS OF SETTLEMENT ON THE NEWLY PURCHASED DWELLING
- 9 OR;
- 10 (II) BY SEPTEMBER 30, 2022, IF SETTLEMENT ON THE NEWLY PURCHASED
- 11 DWELLING OCCURRED BETWEEN JULY 1, 2020 AND JUNE 30, 2022;
- 12 (4) for each tax year for which the credit is sought:
- 13 (i) file a State income tax return as a resident of Baltimore City; and
- 14 (ii) submit a copy of that return to the Director, in the manner and within the
- 15 time period required by the rules and regulations adopted under this
- 16 section; and
- 17 (5) comply with all other procedures and conditions required by the rules and
- 18 regulations adopted under this section.

19 . . .

20 (k) *Reporting.*

21 The Department of Finance shall evaluate the efficacy of the credit established by this

22 section and submit a report of its findings and recommendations on or before December

23 31, [2018] 2024, and [December 31, 2020] EVERY 2 YEARS THEREAFTER, TO:

- 24 (1) the Mayor and the City Council; and
- 25 (2) in accordance with State Government Article, § 2–1246:
  - 26 (i) the Baltimore City House Delegation;
  - 27 (ii) the Baltimore City [Senators] SENATE DELEGATION;
  - 28 (iii) the Senate Budget and Taxation Committee; and
  - 29 (iv) the House Committee on Ways and Means.



**Council Bill 22-0212**

1        *[(1) Termination of program.]*

2            [(1) New credits may not be granted under this section for any tax year beginning on or  
3            after July 1, 2020.]

4            [(2) This subsection does not apply to an owner’s continued receipt of an annual credit,  
5            as provided in subsection (d) of this section, with respect to a property for which  
6            the tax credit was initially granted and received for a tax year ending on or before  
7            June 30, 2020.]

8            **SECTION 2. AND BE IT FURTHER ORDAINED,** That, except as provided in Section 3 of this  
9            Ordinance, a homeowner eligible for the credit authorized by Article 28, § 10-1.1 of the City  
10           Code, as provided for under § 10-1.1(c)(3)(ii) of the same Article, may receive this credit  
11           effective as of the date of settlement on their newly purchased dwelling, and depending on the  
12           original date of the settlement, up to 2 years of credit value in an amount up to \$1,900,  
13           representing (i) \$1,000 for the 1st tax year of this credit; and (ii) \$900 for the 2nd tax year of this  
14           credit, as determined by the Director of Finance.

15           **SECTION 3. AND BE IT FURTHER ORDAINED,** That a homeowner eligible for the credit  
16           authorized by Article 28, § 10-1.1 of the City Code, as provided for under § 10-1.1(c)(3)(ii) of  
17           the same Article, and who newly purchased a dwelling in Baltimore City within a low or  
18           moderate income census tract, as further described by § 10-1.1(d)(2), may receive this credit  
19           effective as of the date of settlement on their newly purchased dwelling, and depending on the  
20           original date of the settlement, up to 2 years of credit value in an amount up to \$2,300,  
21           representing (i) \$1,200 for the 1st tax year of this credit; and (ii) \$1,100 for the 2nd tax year of  
22           this credit, as determined by the Director of Finance.

23           **SECTION 4. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30<sup>th</sup> day  
24           after the date it is enacted.