



Legislation Details (With Text)

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Title: In Support of State Legislation - Senate Bill 158/House Bill 128 - Homestead Tax Credit - Eligibility Verification and Application - Extension

FOR the purpose of expressing support for this legislation that alters the date by which the homestead property tax credit may not be authorized or granted unless a certain application is filed with the State Department of Assessments and Taxation; urging the Honorable Chairs and Members of the Senate Budget and Taxation Committee and the House Ways and Means Committee to report the bills favorably; requesting the Honorable Chairs and Members of the Baltimore City Senate and House Delegations to the 2013 Maryland General Assembly to support adoption of the legislation; and respectfully calling on the Governor to sign the measure into law.

Sponsors: Nick Mosby, Bill Henry, President Young, Helen L. Holton, Sharon Green Middleton, James B. Kraft, Carl Stokes, Brandon M. Scott, William "Pete" Welch, Edward Reisinger, Rochelle Spector, Mary Pat Clarke, Robert Curran

Indexes: Resolution

Code sections:

Attachments: 1. 13-0089R - 1st Reader.pdf

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| 1/28/2013 | 0 | City Council | Introduced | |
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INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL R
(Resolution)

Introduced by: Councilmember Mosby

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning
In Support of State Legislation - Senate Bill 158/House Bill 128 - Homestead Tax Credit - Eligibility Verification and Application - Extension

FOR the purpose of expressing support for this legislation that alters the date by which the homestead property tax credit may not be authorized or granted unless a certain application is filed with the State Department of Assessments and Taxation; urging the Honorable Chairs and Members of the Senate Budget and Taxation Committee and the House Ways and Means Committee to report the bills favorably; requesting the Honorable Chairs and Members of the Baltimore City Senate and House Delegations to the 2013 Maryland General Assembly to support adoption of the legislation; and respectfully calling on the Governor to sign the measure into law.

The homestead property tax credit, in effect for approximately 30 years, limited the amount a primary residence's tax assessment could increase each year. It was a means of alleviating greatly increased large property tax assessments, due to current market real estate conditions, that threatened longtime homeowners' ability to pay their property taxes and to remain in their homes. Each jurisdiction imposed a cap, and today in Baltimore City the cap is 4%, which means that the credit prevents a property's tax assessment bill from increasing by more than 4% each year. This credit was applied automatically by the State at the time of purchase to any homeowner's principal residence.

By 2007, it was discovered that there were too many ineligible property owners receiving this tax credit on second homes or investment properties, in violation of the provisions of the law that limited the credit to a homeowner's principal residence. In response to this situation, the General Assembly passed legislation that required those Marylanders who had purchased property prior to 2007, to submit a one-time application for the tax credit prior to the deadline of December 31, 2012. This gave homeowners about 5 years to apply for it.

During those years, efforts were made by the State Department of Assessments and Taxation to notify homeowners about this important change in State law. The Homestead Property Tax Credit application accompanied the property reassessment notices that were mailed to property owners. The application was available on the Department's website, and from time to time, there were articles and stories in the newspapers and in the media about the need to reapply for this tax credit.

Baltimore City Council members and the Administration also publicized the need for individual homeowners of principal residences to fill out the application form. And community associations also attempted to inform their members of the importance applying for the tax credit.

But despite these efforts, it was estimated that, by October 2012, at least 25,000 eligible homeowners had not applied for the tax credit, which they had been automatically receiving, and come July 2013, this could result in increased property tax bills, some of which could be several thousand dollars more than last year.

The State legislation - Senate Bill 158/House Bill 128 - Homestead Tax Credit - Eligibility Verification and Application - Extension - would extend the deadline for which the State Department of Assessments and Taxation could grant the property tax credit to June 1, 2013, which would allow those homeowners of principal residences, who had not already done so, to submit their applications to continue to receive the Homestead Property Tax Credit.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That this Body supports this legislation that alters the date by which the homestead property tax credit may not be authorized or granted unless a certain application is filed with the State Department of Assessments and Taxation; urges the Honorable Chairs and Members of the Senate Budget and Taxation Committee and the House Ways and Means Committee to report the bills favorably; requests the Honorable Chairs and Members of the Baltimore City Senate and House Delegations to the 2013 Maryland General Assembly to support adoption of the legislation; and respectfully calls on the Governor to sign the measure into law.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Governor, the Mayor, the Honorable Chair and Members of the Senate Budget and Taxation Committee, the Honorable Chair and Members of

the House Ways and Means Committee, the Honorable Chairs and Members of the Baltimore City Senate and House Delegations to the Maryland General Assembly, the Director of the Mayor's Office of State Relations, and the Mayor's Legislative Liaison to the City Council.

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