



Legislation Details (With Text)

File #: 14-0407 **Version:** 0 **Name:** Tax Credits - Portable Homestead
Type: Ordinance **Status:** Enacted
File created: 6/23/2014 **In control:** City Council
On agenda: **Final action:** 10/1/2014
Enactment date: **Enactment #:** 14-303
Title: Tax Credits - Portable Homestead

FOR the purpose of establishing a property tax credit for a dwelling newly purchased by a homeowner who has previously received, for a certain period, the homestead property tax credit; providing for the amount, duration, and termination of the credit; imposing certain qualifications for and limitations and conditions on the credit; providing for the calculation of the local homestead tax credit on termination of the credit; defining certain terms; and generally relating to the implementation of a portable homestead tax credit.

Sponsors: City Council President (Administration), William H. Cole, IV, Brandon M. Scott, Carl Stokes, Rochelle Spector, Edward Reisinger, Mary Pat Clarke, Bill Henry, Helen L. Holton, Sharon Green Middleton, Warren Branch, William "Pete" Welch

Indexes: Portable Homestead, Tax Credits

Code sections:

Attachments: 1. 14-0407~1st Reader.pdf, 2. Finance 14-0407.pdf, 3. City Solicitor 14-0407.pdf, 4. HCD 14-0407.pdf, 5. Real Estate 14-0407.pdf, 6. Planning 14-0407.pdf, 7. 14-0407~3rd Reader.pdf

Date	Ver.	Action By	Action	Result
10/1/2014	0	Mayor	Signed by Mayor	
9/22/2014	0	City Council	Approved and Sent to the Mayor	
9/15/2014	0	Taxation, Finance and Economic Development Committee	Recommended Favorably	
9/15/2014	0	City Council	Advanced to 3rd Rdr., Adopted Comm. Report	
9/8/2014	0	Taxation, Finance and Economic Development Committee	Scheduled for a Public Hearing	
6/26/2014	0	The City Council	Referred for a Report	
6/26/2014	0	The City Council	Referred for a Report	
6/26/2014	0	The City Council	Referred for a Report	
6/26/2014	0	The City Council	Referred for a Report	
6/26/2014	0	The City Council	Referred for a Report	
6/23/2014	0	City Council	Assigned	
6/23/2014	0	City Council	Introduced	

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

* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL

Introduced by: The Council President
At the request of: The Administration (Department of Finance)

A BILL ENTITLED

AN ORDINANCE concerning
Tax Credits - Portable Homestead

FOR the purpose of establishing a property tax credit for a dwelling newly purchased by a homeowner who has previously received, for a certain period, the homestead property tax credit; providing for the amount, duration, and termination of the credit; imposing certain qualifications for and limitations and conditions on the credit; providing for the calculation of the local homestead tax credit on termination of the credit; defining certain terms; and generally relating to the implementation of a portable homestead tax credit.

BY adding
Article 28 - Taxes
Section(s) 10-1.1
Baltimore City Code
(Edition 2000)

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

Baltimore City Code

Article 28. Taxes

Subtitle 10. Credits

§ 10-1.1. PORTABLE HOMESTEAD.

(A) DEFINITIONS.

(1) IN GENERAL.

IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(3) DWELLING.

“DWELLING” HAS THE MEANING STATED IN STATE TAX-PROPERTY ARTICLE, § 9-304(G).

(2) FINANCE DIRECTOR; DIRECTOR.

“FINANCE DIRECTOR” OR “DIRECTOR” MEANS THE DIRECTOR OF THE CITY DEPARTMENT OF FINANCE OR THE DIRECTOR’S DESIGNEE.

(3) HOMEOWNER.

“HOMEOWNER” HAS THE MEANING STATED IN STATE TAX-PROPERTY ARTICLE, § 9-304(G).

(B) CREDIT GRANTED.

IN ACCORDANCE WITH STATE TAX-PROPERTY ARTICLE, § 9-304(G), A TAX CREDIT IS GRANTED AGAINST THE CITY PROPERTY TAX IMPOSED ON A DWELLING THAT IS NEWLY PURCHASED BY A HOMEOWNER WHO, FOR THE PRECEDING 5 TAX YEARS, HAS RECEIVED A CREDIT UNDER STATE TAX-PROPERTY ARTICLE, § 9-105 {“HOMESTEAD TAX CREDIT”} FOR A DWELLING LOCATED IN BALTIMORE CITY.

(C) QUALIFICATIONS.

TO QUALIFY FOR THE CREDIT AUTHORIZED BY THIS SECTION, THE HOMEOWNER MUST:

(1) FOR THE 5 TAX YEARS PRECEDING THE PURCHASE OF THE NEW DWELLING IN BALTIMORE CITY:

(I) HAVE OWNED AND OCCUPIED, AS HIS OR HER PRINCIPAL RESIDENCE, A DWELLING IN THE CITY; AND

(II) RECEIVED A CREDIT UNDER STATE TAX-PROPERTY ARTICLE, § 9-105 {“HOMESTEAD TAX CREDIT”} FOR THAT DWELLING;

(2) OCCUPY THE NEWLY PURCHASED DWELLING AS HIS OR HER PRINCIPAL RESIDENCE;

(3) SUBMIT AN APPLICATION TO THE FINANCE DIRECTOR, IN THE FORM AND CONTAINING THE INFORMATION THAT THE DIRECTOR REQUIRES, FOR A CREDIT UNDER THIS SECTION;

(4) FOR EACH TAX YEAR FOR WHICH THE CREDIT IS SOUGHT:

(I) FILE A STATE INCOME TAX RETURN AS A RESIDENT OF BALTIMORE CITY; AND

(II) SUBMIT A COPY OF THAT RETURN TO THE DIRECTOR, IN THE MANNER AND WITHIN THE TIME PERIOD REQUIRED BY THE RULES AND REGULATIONS ADOPTED UNDER THIS SECTION; AND

(5) COMPLY WITH ALL OTHER PROCEDURES AND CONDITIONS REQUIRED BY THE RULES AND REGULATIONS ADOPTED UNDER THIS SECTION.

(D) AMOUNT OF CREDIT.

(1) IN GENERAL.

EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE CREDIT GRANTED UNDER THIS SECTION IS A FIXED AMOUNT OF \$4,000, TO BE ALLOCATED AND APPLIED OVER A PERIOD OF 5 TAX YEARS AS FOLLOWS:

(I) \$1,000 IN THE 1ST TAX YEAR;

- (II) \$900 IN THE 2ND TAX YEAR;
- (III) \$800 IN THE 3RD TAX YEAR;
- (IV) \$700 IN THE 4TH TAX YEAR; AND
- (V) \$600 IN THE 5TH TAX YEAR.

(2) DWELLING WITHIN LOW OR MODERATE INCOME CENSUS TRACT.

(I) FOR APPLICATIONS FILED ON OR AFTER OCTOBER 1, 2015, THE FIXED AMOUNT OF THE CREDIT IS \$5,000 FOR A HOMEOWNER WHO PURCHASES A DWELLING LOCATED WITHIN A LOW OR MODERATE INCOME CENSUS TRACT, AS DESIGNATED FROM TIME TO TIME BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND IN WHICH AT LEAST 51% OF THE PERSONS LIVING IN THE TRACT ARE IN HOUSEHOLDS EARNING 80% OR LESS OF THE AREA MEDIAN INCOME.

(II) A HOMEOWNER WHO WAS RESIDING WITHIN A LOW OR MODERATE INCOME CENSUS TRACT, AS DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, WHEN THE HOMEOWNER SUBMITTED THE APPLICATION FOR THE CREDIT REMAINS ELIGIBLE FOR THE HIGHER CREDIT AUTHORIZED BY THIS PARAGRAPH EVEN IF, AFTER THE DATE OF THE APPLICATION, THE CENSUS TRACT CHANGES AND THE HOMEOWNER WOULD OTHERWISE BE INELIGIBLE FOR THE HIGHER CREDIT DURING THE 5-YEAR PERIOD.

(III) THE \$5,000 SHALL BE ALLOCATED AND APPLIED OVER A PERIOD OF 5 TAX YEARS AS FOLLOWS:

- (I) \$1,200 IN THE 1ST TAX YEAR;
- (II) \$1,100 IN THE 2ND TAX YEAR;
- (III) \$1,000 IN THE 3RD TAX YEAR;
- (IV) \$900 IN THE 4TH TAX YEAR; AND
- (V) \$800 IN THE 5TH TAX YEAR.

(IV) THE FINANCE DIRECTOR MAY ESTABLISH ADDITIONAL CRITERIA NECESSARY TO CARRY OUT THIS PARAGRAPH.

(E) CREDIT MAY NOT REDUCE CURRENT LIABILITY BELOW THAT FOR PRIOR DWELLING.

A HOMEOWNER MAY NOT RECEIVE A CREDIT UNDER THIS SECTION (OR PORTION OF THE CREDIT) FOR ANY YEAR IN WHICH APPLICATION OF THE CREDIT (OR PORTION OF THE CREDIT) WOULD REDUCE THE HOMEOWNER'S PROPERTY TAX LIABILITY BELOW THE HOMEOWNER'S PROPERTY TAX LIABILITY FOR THE DWELLING PREVIOUSLY OCCUPIED BY THE HOMEOWNER.

(F) DUPLICATION OF CREDITS NOT ALLOWED.

IN ANY YEAR IN WHICH A HOMEOWNER RECEIVES A CREDIT UNDER THIS SUBSECTION, THE HOMEOWNER MAY NOT RECEIVE:

(1) THE LOCAL PORTION OF THE CREDIT UNDER STATE TAX-PROPERTY ARTICLE, § 9-105 {"HOMESTEAD TAX CREDIT"}; OR

(2) ANY OTHER PROPERTY TAX CREDIT PROVIDED BY THE CITY.

(G) CREDIT NOT TRANSFERABLE.

THE CREDIT GRANTED UNDER THIS SECTION FOR A DWELLING MAY NOT BE TRANSFERRED TO:

(I) A PERSON WHO PURCHASES THE DWELLING FROM THE HOMEOWNER RECEIVING THE CREDIT; OR

(II) A DWELLING THAT IS SUBSEQUENTLY PURCHASED BY THE HOMEOWNER RECEIVING THE CREDIT.

(H) LOCAL PORTION OF HOMESTEAD CREDIT.

AFTER TERMINATION OF THE CREDIT GRANTED UNDER THIS SECTION, A HOMEOWNER IS ENTITLED TO THE LOCAL PORTION OF THE CREDIT GRANTED UNDER STATE TAX-PROPERTY ARTICLE, § 9-105 {"HOMESTEAD TAX CREDIT"}, WHICH SHALL BE CALCULATED:

(1) AS IF THE HOMEOWNER HAD RECEIVED THE CREDIT UNDER § 9-105 BEGINNING IN THE SECOND YEAR THE HOMEOWNER OCCUPIED THE DWELLING; AND

(2) BASED ON THE FULL ASSESSED VALUE OF THE DWELLING IN EACH YEAR THE HOMEOWNER RECEIVED THE CREDIT GRANTED UNDER THIS SECTION.

(I) ALLOCATION OF APPROPRIATED FUNDS.

THE FINANCE DIRECTOR SHALL REVIEW AND APPROVE APPLICATIONS FOR THE CREDIT GRANTED UNDER THIS SECTION BASED ON:

(1) THE AVAILABILITY OF THE FUNDS APPROPRIATED FOR THE CREDIT AND ITS ADMINISTRATION UNDER STATE TAX-PROPERTY ARTICLE, § 9-304(G)(9)(I); AND

(2) THE ORDER IN WHICH APPLICATIONS FOR THE CREDIT ARE RECEIVED; AND

(J) RULES, REGULATIONS, AND PROCEDURES.

THE FINANCE DIRECTOR SHALL ADOPT RULES, REGULATIONS, AND PROCEDURES AS NECESSARY TO CARRY OUT THIS SECTION.

(K) REPORTING.

THE DEPARTMENT OF FINANCE SHALL EVALUATE THE EFFICACY OF THE CREDIT ESTABLISHED BY THIS SECTION AND SUBMIT A REPORT OF ITS FINDINGS AND RECOMMENDATIONS ON OR BEFORE DECEMBER 31, 2018, AND DECEMBER 31, 2020, TO:

- (1) THE MAYOR AND THE CITY COUNCIL; AND
- (2) IN ACCORDANCE WITH STATE GOVERNMENT ARTICLE, § 2-1246:
 - (I) THE BALTIMORE CITY HOUSE DELEGATION;
 - (II) THE BALTIMORE CITY SENATORS;
 - (III) THE SENATE BUDGET AND TAXATION COMMITTEE; AND
 - (IV) THE HOUSE COMMITTEE ON WAYS AND MEANS.
- (L) TERMINATION OF PROGRAM.

(1) NEW CREDITS MAY NOT BE GRANTED UNDER THIS SECTION FOR ANY TAX YEAR BEGINNING ON OR AFTER JULY 1, 2020.

(2) THIS SUBSECTION DOES NOT APPLY TO AN OWNER'S CONTINUED RECEIPT OF AN ANNUAL CREDIT, AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, WITH RESPECT TO A PROPERTY FOR WHICH THE TAX CREDIT WAS INITIALLY GRANTED AND RECEIVED FOR A TAX YEAR ENDING ON OR BEFORE JUNE 30, 2020.

SECTION 2. AND BE IT FURTHER ORDAINED, That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on October 1, 2014.

dlr14-927(3)~intro/18Jun14
art28/Prtbl Hmstd TxCredit/aa:me

dlr14-927(3)~intro/18Jun14
?????
art28/Prtbl Hmstd TxCredit/aa:me