



Legislation Text

File #: 08-0007R, Version: 0

* 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 R
(Resolution)

Introduced by: Councilmember Clarke

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning **Informational Hearing - Maryland Homestead Property Tax Credit**

FOR the purpose of requesting the Director of the Baltimore City Department of Finance and the Director of the Maryland Department of Assessments and Taxation to brief the Council regarding the new Homestead Tax Credit law, the new application requirements, the process by which citizens must apply, the new deadlines for applying, and the efforts that the State and City are putting forth to inform the citizens who need to apply about the new process, in order to make sure that all of those who are entitled to the credit are able to receive it.

Recitals

The Homestead Property Tax Program was designed to limit the amount of annual increase in taxable assessments for eligible owner occupied properties. The program dates back to the late 1970's, a period of rapid escalation in property values. State law requires each Maryland local government to establish a limit on how much owner-occupied residential taxable assessments may increase each year. The program protects homeowners from increases in taxable assessment above the level established by local law, or 10%, if no local action is taken. In the early 1990's, the City established the annual cap at 4%, and it continues to be set at 4% today. The credit is applied against the taxes due on the portion of the reassessment exceeding the 4% homestead cap. The credit is applied directly to the owner's tax bill.

Legislation enacted by the 2007 session of the Maryland General Assembly requires homeowners to submit a one-time application in order to continue their eligibility for the homestead tax credit. The primary reason for this change in law was due to the fact that some property owners were improperly receiving the credit on vacation homes and rental properties.

The Maryland Department of Assessments and Taxation is administering this application process. The application was included in the Assessment notices that were mailed to one-third of property owners in the City on December 28, 2007. Homeowners whose properties are not subject to reassessment this year can elect to wait until their properties are reassessed in 2009 and 2010 to submit an application.

New property purchasers will be mailed an application after the property is transferred; the property owner must file the application within 180 days following the date the dwelling is titled to them. This law is applicable to any transfer that takes place after December 31, 2007. For any dwelling that was transferred to new ownership on or before December 31, 2007, an application must be filed before December 31, 2012.

Many of the Baltimore City citizens who are being assessed are either elderly, have no access to the internet, or simply do not have enough understanding of the law and how it pertains to their applying and receiving this tax credit. This informational hearing will allow the agencies responsible for getting help to constituents regarding this new law to coordinate and develop a plan of action, so that no Baltimore City citizen will miss out on the opportunity to apply for and obtain this valuable tax credit.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That this Body requests the Director of the Baltimore City Department of Finance and the Director of the Maryland Department of Assessments and Taxation to brief the Council regarding the new Homestead Tax Credit law, the new application requirements, the process by which citizens must apply, the new deadlines for applying, and the efforts that the State and City are putting forth to inform the citizens who need to apply about the new process, in order to make sure that all of those who are entitled to the credit are able to receive it.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Mayor, the Maryland State Supervisor for Baltimore City Assessments, the Maryland State Director of the Homestead Tax Credit Division, and the Mayor's Legislative Liaison to the Baltimore City Council.

dlr08-0049~intro/23Jan08
ccres/Homestead:af

dlr08-0049~intro/23Jan08
- 2 -
ccres/Homestead:af