

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council Of Howard County, Maryland

2006 Legislative Session

Legislative Day No. **12**

Bill No. 68 -2006

Introduced by Christopher J. Merdon and Charles C. Feaga

AN ACT establishing a tax credit for certain senior citizens under certain conditions; establishing the terms, conditions, and duration of the credit; providing for an application procedure and administration of the credit; providing for the affect of the credit on deferred taxes; and generally relating to property tax credits.

Introduced and read first time _____, 2006. Ordered posted and hearing scheduled.

By order _____
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2006.

By order _____
Sheila M. Tolliver, Administrator

This Bill was read the third time on _____, 2006 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Sheila M. Tolliver, Administrator

Sealed with the County Seal and presented to the County Executive for approval this __day of _____, 2006 at ___ a.m./p.m.

By order _____
Sheila M. Tolliver, Administrator

Approved by the County Executive _____, 2006

James N. Robey, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1 *Section 1. Be it enacted by the County Council of Howard County, Maryland, that new*
2 *Section 20-129 “Property tax credit for senior citizens”, be, and is hereby added to Part III*
3 *“State-Authorized Howard County Tax Credits” of Subtitle 1 “Real Property Tax*
4 *Administration, Credits and Enforcement”, of Title 20 “Taxes, Charges, and Fees”, of the*
5 *Howard County Code, to read as follows:*
6

7 **Title 20. Taxes, charges, and fees.**
8

9 **Subtitle 1. Real Property Tax Administration, Credits and Enforcement.**
10

11 **Part III. State-Authorized Howard County Tax Credits.**
12

13
14 **SECTION 20-129. PROPERTY TAX CREDIT FOR SENIOR CITIZENS.**

15 (A) *DEFINITIONS.*

16 (1) IN THIS SECTION, THE FOLLOWING TERMS HAVE THE MEANINGS
17 INDICATED.

18 (2) “BASELINE YEAR” MEANS THE TAXABLE YEAR PRECEDING THE
19 FIRST OF THE CONTINUOUS SERIES OF TAXABLE YEARS FOR WHICH A
20 TAXPAYER RECEIVES A CREDIT UNDER THIS SECTION.

21 (3) "COMBINED INCOME" MEANS THE COMBINED GROSS INCOME OF
22 ALL INDIVIDUALS WHO ACTUALLY RESIDE IN A DWELLING EXCEPT AN
23 INDIVIDUAL WHO:

24 (I) IS A DEPENDENT OF THE HOMEOWNER UNDER § 152 OF THE
25 INTERNAL REVENUE CODE; OR

26 (II) PAYS A REASONABLE AMOUNT FOR RENT OR ROOM AND
27 BOARD.
28

29 (B) *CREDIT ESTABLISHED.*

30 (1) IN ACCORDANCE WITH § 9-245 OF THE TAX-PROPERTY ARTICLE OF
31 THE ANNOTATED CODE OF MARYLAND, THE OWNER OF REAL PROPERTY
32 MAY RECEIVE A PROPERTY TAX CREDIT AGAINST THE COUNTY PROPERTY
33 TAX IMPOSED ON THE PROPERTY IF THE PROPERTY IS OWNED, WHOLLY
34 OR PARTLY, BY AN INDIVIDUAL:

35 (I) WHO IS AT LEAST 70 YEARS OLD;

1 (II) WHO USES THE PROPERTY AS THE INDIVIDUAL'S PRINCIPAL
2 RESIDENCE FOR AT LEAST THE PERIOD THAT WOULD BE REQUIRED TO
3 QUALIFY FOR THE CREDIT UNDER § 9-104 OF THE TAX-PROPERTY ARTICLE
4 OF THE MARYLAND ANNOTATED CODE; AND

5 (III) WHO LIVES IN A HOUSEHOLD WITH A COMBINED INCOME
6 THAT DOES NOT EXCEED \$75,000 A YEAR.

7 (2) THE AMOUNT OF THE CREDIT SHALL EQUAL:

8 (I) THE INCREASE OF THE COUNTY PROPERTY TAX IN THE YEAR
9 FOR WHICH THE CREDIT IS SOUGHT OVER THE COUNTY PROPERTY TAX IN
10 THE BASELINE YEAR; PLUS

11 (II) 25% OF THE PROPERTY TAX IN THE BASELINE YEAR.

12 (3) THE AMOUNT OF THE CREDIT SHALL BE CALCULATED AFTER ALL
13 OTHER CREDITS GRANTED FOR THAT PROPERTY UNDER THIS SUBTITLE
14 OR THE TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE OF
15 MARYLAND HAVE BEEN APPLIED.

16 (4) PROPERTY TAXES ATTRIBUTABLE TO AN INCREASE IN THE VALUE
17 OF THE PROPERTY BECAUSE OF SUBSTANTIAL IMPROVEMENTS TO THE
18 PROPERTY SHALL BE EXCLUDED FROM THE CALCULATION DESCRIBED IN
19 PARAGRAPH (2) OF THIS SUBSECTION.

20
21 (C) *DURATION OF CREDIT.* THE TAX CREDIT AUTHORIZED BY THIS SECTION
22 CONTINUES AS LONG AS AN OWNER AND THE PROPERTY REMAIN QUALIFIED
23 UNDER SUBSECTION (B) OF THIS SECTION.

24
25 (D) *APPLICATION.* TO RECEIVE THE CREDIT, A PROPERTY OWNER SHALL
26 SUBMIT AN APPLICATION TO THE DEPARTMENT OF FINANCE:

27 (1) ON THE FORM THAT THE DEPARTMENT OF FINANCE REQUIRES;

28 (2) THAT DEMONSTRATES THAT THE OWNER IS ENTITLED TO THE CREDIT;

29 AND

30 (3) ON OR BEFORE THE DATE THAT THE DEPARTMENT OF FINANCE SETS.

31

1 (E) *ADMINISTRATION.* THE DEPARTMENT OF FINANCE MAY ADOPT
2 GUIDELINES AND PROCEDURES TO ADMINISTER THIS SECTION.

3

4 (F) *EFFECTIVE DATE.* THE CREDIT AUTHORIZED BY THIS SECTION APPLIES
5 TO TAX YEARS BEGINNING AFTER JUNE 30, 2007.

6

7 *Section 2 And Be it further enacted by the County Council of Howard County, Maryland,*
8 *that Subsection (i) “When Deferred Taxes Due”, of Section 20-125 “Real property tax*
9 *deferral for elderly or disabled homeowners”, of Part III “State-Authorized Howard County*
10 *Tax Credits” of Subtitle 1 “Real Property Tax Administration, Credits and Enforcement”, of*
11 *Title 20 “Taxes, Charges, and Fees”, of the Howard County Code, is amended to read as*
12 *follows:*

13

14 **Title 20. Taxes, charges, and fees.**

15

16 **Subtitle 1. Real Property Tax Administration, Credits and Enforcement.**

17

18 **Part III. State-Authorized Howard County Tax Credits.**

19

20 **Section 20-125. Real property tax deferral for elderly or disabled homeowners.**

21 (i) *When Deferred Taxes Due.* The total amount of real property taxes deferred and interest
22 accrued are due and payable when:

23 (1) The homeowner ceases to own the property;

24 (2) The homeowner ceases to occupy the property as the principal place of residence;

25 (3) The property becomes subject to a tax sale; or

26 (4) The homeowner fails to submit a timely application for deferral OR FAILS TO
27 QUALIFY FOR A CREDIT UNDER § 20.129 OF THIS SUBTITLE.

28

29 *Section 3. And Be It Further Enacted by the County Council of Howard County, Maryland, that*
30 *this Act shall become effective 61 days after its enactment.*