

## Chapter 607

## (House Bill 36)

AN ACT concerning

**Rebuilding Baltimore City Communities Act of 2016**

FOR the purpose of exempting certain demolition activities from certain notice requirements; requiring altering the definition of “vacant dwelling” for purposes of certain property tax credits against the property tax imposed on certain vacant dwellings and newly constructed dwellings located in Baltimore City; authorizing the Mayor and City Council of Baltimore City to grant, by law, a certain property tax credit against the property tax imposed on certain property located in certain ~~communities~~ neighborhoods in Baltimore City; establishing the amount and duration of the property tax credit; providing for the eligibility requirements of the property tax credit; requiring the Mayor and City Council of Baltimore City to provide certain procedures for granting the property tax credit; defining certain terms; ~~providing for the application of this Act;~~ and generally relating to certain notice requirements for certain demolition activities and a property tax credit in Baltimore City.

BY adding toArticle – Economic DevelopmentSection 10–645(m)Annotated Code of Maryland(2008 Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – Tax – Property

Section 9–304(c)(1) and (d)(1)(i) and (ii)

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

BY adding to

Article – Tax – Property

Section 9–304(i)

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Economic Development**10–645.

**(M) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A DEMOLITION OR PARTIAL DEMOLITION OF A SCHOOL BUILDING UNDER THE BALTIMORE CITY PUBLIC SCHOOLS' 10-YEAR PLAN SHALL BE EXEMPT FROM ANY REQUIRED NOTICE TO THE BALTIMORE CITY COUNCIL OR THE PRESIDENT OF THE BALTIMORE CITY COUNCIL.**

**Article – Tax – Property**

9-304.

(c) (1) In this subsection, “vacant dwelling” means residential real property that:

(i) contains no more than four dwelling units; and

(ii) 1. has been cited ~~as vacant and abandoned on a housing or building violation notice for 1 year~~ **WITH A VACANT BUILDING NOTICE**; or

2. has been owned by the Mayor and City Council of Baltimore City for 1 year and is in need of substantial repair to comply with applicable city codes.

(d) (1) (i) In this subsection the following words have the meanings indicated.

(ii) 1. “Newly constructed dwelling” means residential real property that has not been previously occupied since its construction and for which the building permit for construction was issued on or after October 1, 1994.

2. “Newly constructed dwelling” includes a “vacant dwelling” as defined in subsection (c)(1) of this section that has been rehabilitated in compliance with applicable local laws and regulations and has not been previously occupied since the rehabilitation.

**(I) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(II) “NEWLY CONSTRUCTED DWELLING” HAS THE MEANING STATED IN SUBSECTION (D) OF THIS SECTION.**

**(III) “VACANT DWELLING” HAS THE MEANING STATED IN SUBSECTION (C) OF THIS SECTION.**

**(2) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY ~~SHALL~~ MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SUBSECTION AGAINST THE COUNTY PROPERTY TAX IMPOSED ON REAL PROPERTY THAT:**

(I) IS LOCATED IN ANY ~~COMMUNITY NEIGHBORHOOD~~ THAT THE BALTIMORE CITY HOUSING DEPARTMENT DETERMINES HAS A VACANT DWELLING RATE OF AT LEAST 35% FOR EACH OF THE PRIOR 3 YEARS; AND

(II) IS OWNED BY QUALIFYING OWNERS OF A VACANT OR NEWLY CONSTRUCTED DWELLING.

(3) A PROPERTY TAX CREDIT GRANTED UNDER THIS SUBSECTION SHALL BE:

~~(I) UP TO 100% OF THE PROPERTY TAX IMPOSED ON THE VALUE OF THE IMPROVEMENTS FOR THE FIRST 10 TAXABLE YEARS IN WHICH THE PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

~~(II) 88% FOR THE 11TH TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

~~(III) 76% FOR THE 12TH TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

~~(IV) 64% FOR THE 13TH TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

~~(V) 52% FOR THE 14TH TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

~~(VI) 40% FOR THE 15TH TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

~~(VII) 28% FOR THE 16TH TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR THE TAX CREDIT;~~

~~(VIII) 16% FOR THE 17TH TAXABLE YEAR IN WHICH THE PROPERTY QUALIFIES FOR THE TAX CREDIT; AND~~

~~(IX) 0% FOR EACH TAXABLE YEAR THEREAFTER.~~

(4) OWNERS OF VACANT OR NEWLY CONSTRUCTED DWELLINGS MAY QUALIFY FOR THE TAX CREDIT AUTHORIZED UNDER THIS SUBSECTION BY:

(I) 1. ~~A~~ SUBSTANTIALLY REHABILITATING A VACANT DWELLING IN COMPLIANCE WITH THE CODE AND LAWS APPLIED TO DWELLINGS; ~~AND~~

~~**B. OCCUPYING THE DWELLING AFTER REHABILITATION AS THEIR PRINCIPAL RESIDENCE; OR**~~

**2. A. PURCHASING A NEWLY CONSTRUCTED DWELLING; AND**

**B. OCCUPYING THE NEWLY CONSTRUCTED DWELLING AS THEIR PRINCIPAL RESIDENCE; AND**

**(II) FILING A STATE INCOME TAX RETURN DURING THE PERIOD OF THE TAX CREDIT AS A RESIDENT OF BALTIMORE CITY.**

**(5) NOTWITHSTANDING PARAGRAPH (4) OF THIS SUBSECTION, A COMMUNITY DEVELOPMENT CORPORATION OR A DEVELOPER MAY QUALIFY FOR THE TAX CREDIT UNDER THIS SUBSECTION IF THE COMMUNITY DEVELOPMENT CORPORATION OR DEVELOPER PURCHASES THE DWELLING TO BE USED AS RESIDENTIAL RENTAL PROPERTY.**

**(6) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY SHALL PROVIDE FOR PROCEDURES NECESSARY AND APPROPRIATE FOR THE SUBMISSION OF AN APPLICATION FOR AND THE GRANTING OF A PROPERTY TAX CREDIT UNDER THIS SUBSECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~June~~ October 1, 2016, and shall be applicable to all taxable years beginning after ~~June 30, 2016~~ 2017.

**Approved by the Governor, May 19, 2016.**