

HOUSE BILL 913

Q1, D4

11r2099
CF SB 859

By: **Delegates Zucker, Hixson, Arora, Clagett, Dumais, Kaiser, Luedtke,
A. Miller, Mitchell, S. Robinson, Rosenberg, Ross, and Summers**

Introduced and read first time: February 11, 2011

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 15, 2011

CHAPTER _____

1 AN ACT concerning

2 **Homestead Property Tax Credit – Eligibility – Child Support Payments**

3 FOR the purpose of authorizing the Child Support Enforcement Administration to
4 send a certain certification to the State Department of Assessments and
5 Taxation concerning certain child support obligors; requiring the
6 Administration to send a certain notice to certain obligors; providing for the
7 right of an obligor to challenge the Administration's certification by requesting
8 an investigation within a certain time frame; requiring the Administration to
9 conduct a certain investigation and notify the obligor of the outcome; requiring
10 the Administration to correct a certain amount under certain circumstances;
11 authorizing the Administration and obligor to negotiate a payment plan;
12 prohibiting the Administration from notifying the Department under certain
13 circumstances; requiring the Department to revoke the homestead property tax
14 credit of certain homeowners under certain circumstances; authorizing the
15 Administration and the Department to adopt certain regulations; providing for
16 the application of this Act; providing for a delayed effective date; and generally
17 relating to eligibility of certain child support obligors for the homestead
18 property tax credit.

19 BY adding to

20 Article – Family Law

21 Section 10–113.3

22 Annotated Code of Maryland

23 (2006 Replacement Volume and 2010 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, without amendments,
 2 Article – Tax – Property
 3 Section 9–105(a)(1), (5), and (7) through (9)
 4 Annotated Code of Maryland
 5 (2007 Replacement Volume and 2010 Supplement)

6 BY repealing and reenacting, with amendments,
 7 Article – Tax – Property
 8 Section 9–105(b)(1)
 9 Annotated Code of Maryland
 10 (2007 Replacement Volume and 2010 Supplement)

11 BY adding to
 12 Article – Tax – Property
 13 Section 9–105(i–1)
 14 Annotated Code of Maryland
 15 (2007 Replacement Volume and 2010 Supplement)

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

18 **Article – Family Law**

19 **10–113.3.**

20 **(A) (1) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (B) THROUGH**
 21 **(D) OF THIS SECTION, ON OR BEFORE APRIL 15 OF EACH YEAR, THE**
 22 **ADMINISTRATION MAY CERTIFY TO THE DEPARTMENT OF ASSESSMENTS AND**
 23 **TAXATION ANY OBLIGOR WHO IS IN ARREARS UNDER A CHILD SUPPORT ORDER**
 24 **IF:**

25 **(I) THE AMOUNT OF ARREARS EXCEEDS \$150; AND**

26 **(II) THE ADMINISTRATION IS PROVIDING SERVICES IN THE**
 27 **CASE UNDER TITLE IV, PART D OF THE FEDERAL SOCIAL SECURITY ACT.**

28 **(2) THE CERTIFICATION SHALL INCLUDE;**

29 **(I) THE FULL NAME OF THE OBLIGOR AND ANY OTHER**
 30 **NAMES KNOWN TO BE USED BY THE OBLIGOR; AND**

31 **(II) THE ADDRESS AND SOCIAL SECURITY NUMBER OF THE**
 32 **OBLIGOR.**

1 **(B) BEFORE THE ADMINISTRATION SENDS A CERTIFICATION TO THE**
2 **DEPARTMENT OF ASSESSMENTS AND TAXATION, THE ADMINISTRATION SHALL**
3 **NOTIFY THE OBLIGOR THAT:**

4 **(1) A CERTIFICATION MAY BE MADE BY THE ADMINISTRATION;**

5 **(2) THE DEPARTMENT OF ASSESSMENTS AND TAXATION MAY**
6 **REVOKE THE HOMESTEAD PROPERTY CREDIT THAT THE OBLIGOR RECEIVES;**

7 **(3) THE OBLIGOR HAS A RIGHT TO REQUEST AN INVESTIGATION**
8 **AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION; AND**

9 **(4) THE OBLIGOR MAY CONTACT THE ADMINISTRATION TO**
10 **NEGOTIATE A PAYMENT PLAN UNDER SUBSECTION (D) OF THIS SECTION.**

11 **(C) (1) WITHIN 30 DAYS OF THE DATE OF THE NOTICE TO THE**
12 **OBLIGOR UNDER SUBSECTION (B) OF THIS SECTION, AN OBLIGOR WHO**
13 **DISPUTES THE EXISTENCE OR AMOUNT OF THE ARREARAGE MAY REQUEST THAT**
14 **THE ADMINISTRATION CONDUCT AN INVESTIGATION OF THE ARREARAGE.**

15 **(2) (I) ON RECEIPT OF A REQUEST FOR INVESTIGATION FROM**
16 **THE OBLIGOR, THE ADMINISTRATION SHALL CONDUCT AN INVESTIGATION AS**
17 **TO THE EXISTENCE OR AMOUNT OF THE ARREARAGE.**

18 **(II) ON COMPLETION OF THE INVESTIGATION, THE**
19 **ADMINISTRATION SHALL NOTIFY THE OBLIGOR OF THE OUTCOME OF THE**
20 **INVESTIGATION.**

21 **(III) AFTER THE INVESTIGATION, IF THE ADMINISTRATION**
22 **FINDS THERE IS AN ERROR, THE ADMINISTRATION SHALL CORRECT THE**
23 **AMOUNT OF THE REPORTED ARREARS.**

24 **(IV) IF A CORRECTION RESULTS IN AN AMOUNT OF \$150 IN**
25 **ARREARS OR LESS, THE ADMINISTRATION MAY NOT MAKE A CERTIFICATION TO**
26 **THE DEPARTMENT OF ASSESSMENTS AND TAXATION UNDER THIS SECTION.**

27 **(D) (1) WITHIN 30 DAYS OF THE DATE OF THE NOTICE SENT TO THE**
28 **OBLIGOR UNDER SUBSECTION (B) OF THIS SECTION, AN OBLIGOR MAY CONTACT**
29 **THE ADMINISTRATION TO NEGOTIATE A PAYMENT PLAN.**

30 **(2) IF THE ADMINISTRATION AND OBLIGOR AGREE TO A PAYMENT**
31 **PLAN, THE ADMINISTRATION MAY NOT MAKE A CERTIFICATION TO THE**
32 **DEPARTMENT OF ASSESSMENTS AND TAXATION UNDER THIS SECTION.**

- 1 (8) “Legal interest” means an interest in a dwelling:
- 2 (i) as a sole owner;
- 3 (ii) as a joint tenant;
- 4 (iii) as a tenant in common;
- 5 (iv) as a tenant by the entireties;
- 6 (v) through membership in a cooperative;
- 7 (vi) under a land installment contract, as defined in § 10–101 of
- 8 the Real Property Article; or
- 9 (vii) as a holder of a life estate.

10 (9) “Taxable assessment” means the assessment on which the property

11 tax rate was imposed in the preceding taxable year, adjusted by the phased-in

12 assessment increase resulting from a revaluation under § 8–104(c)(1)(iii) of this

13 article, less the amount of any assessment on which a property tax credit under this

14 section is authorized.

15 (b) (1) **[If] EXCEPT AS PROVIDED IN SUBSECTION (I–1) OF THIS**

16 **SECTION, IF** there is an increase in property assessment as calculated under this

17 section, the State and the governing body of each county and of each municipal

18 corporation shall grant a property tax credit under this section against the State,

19 county, and municipal corporation property tax imposed on real property by the State,

20 county, or municipal corporation.

21 **(I–1) (1) ON RECEIPT OF CERTIFICATION FROM THE CHILD SUPPORT**

22 **ENFORCEMENT ADMINISTRATION UNDER § ~~10–113.3~~ 10–113.3(A) OF THE**

23 **FAMILY LAW ARTICLE, THE DEPARTMENT SHALL REVOKE THE PROPERTY TAX**

24 **CREDIT UNDER THIS SECTION FOR THE HOMEOWNER FOR THE TAXABLE YEAR**

25 **FOLLOWING THE TAXABLE YEAR IN WHICH THE DEPARTMENT RECEIVED THE**

26 **CERTIFICATION.**

27 **(2) (1) IF THE DEPARTMENT REVOKES THE PROPERTY TAX**

28 **CREDIT UNDER THIS SECTION FOR A HOMEOWNER UNDER PARAGRAPH (1) OF**

29 **THIS SUBSECTION, THE HOMEOWNER IS NOT ELIGIBLE FOR THE PROPERTY TAX**

30 **CREDIT UNDER THIS SECTION UNTIL THE DEPARTMENT RECEIVES NOTICE**

31 **FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION UNDER**

32 **§ 10–113.3(F) OF THE FAMILY LAW ARTICLE.**

1 ~~(H) IF A HOMEOWNER REGAINS ELIGIBILITY FOR THE~~
 2 ~~PROPERTY TAX CREDIT UNDER THIS SECTION, THE CREDIT ALLOWED SHALL BE~~
 3 ~~CALCULATED BASED ON THE PRIOR YEAR'S TAXABLE ASSESSMENT OF THE~~
 4 ~~DWELLING DETERMINED AS IF THE CREDIT HAD NOT BEEN LOST FOR THE~~
 5 ~~INTERVENING TAXABLE YEARS.~~

6 (II) IF THE DEPARTMENT RECEIVES A CERTIFICATION
 7 FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION UNDER §
 8 10-113.3(F) OF THE FAMILY LAW ARTICLE BEFORE APRIL 15, THE
 9 DEPARTMENT SHALL REINSTATE THE PROPERTY TAX CREDIT FOR THE
 10 FOLLOWING TAX YEAR.

11 (III) IF THE DEPARTMENT RECEIVES A CERTIFICATION
 12 FROM THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION UNDER §
 13 10-113.3(F) OF THE FAMILY LAW ARTICLE ON OR AFTER APRIL 15, THE
 14 DEPARTMENT SHALL:

15 1. REINSTATE THE PROPERTY TAX CREDIT UNDER
 16 THIS SECTION FOR THE SECOND FOLLOWING TAX YEAR; AND

17 2. CALCULATE THE PROPERTY TAX CREDIT UNDER
 18 THIS SECTION AS IF THE CREDIT HAD NOT BEEN REVOKED FOR THE
 19 INTERVENING TAX YEARS.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 21 June 1, 2012, and shall be applicable to all taxable years beginning on or after June
 22 30, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.