

CITY OF HYATTSVILLE
ORDINANCE 2008-07

An Ordinance whereby the City Council extends the State Homeowner's Property Tax Credit for low and fixed income homeowners. The City credit shall be 15% of the State homeowners tax credit on a maximum of \$350,000.00 of the assessed value of the principal residence if the combined income of the household is less than \$80,000.00 and the net worth of the household, excluding the principal residence, is less than \$200,000.00.

WHEREAS, Section 9-215.1 of the Tax-Property Article of the Annotated Code of Maryland authorizes a municipality to grant a local supplement to the State Homeowner's Property Tax Credit Program; and

WHEREAS, the local supplement may equal a percentage not to exceed 50% of the State homeowner's property tax credit provided under Section 9-104 of the Tax Property Article of the Annotated Code of Maryland; and

WHEREAS, by this Ordinance, the City Council desires to adopt a local supplement to the State Homeowner's Property Tax Credit Program to provide tax relief against City property taxes for low-income and other homeowners who qualify for the state homeowner's property tax credit and set the amount of the local supplement at 15% of the state homeowner's property tax credit amount.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Hyattsville in regular session assembled that Chapter 108 of the Hyattsville City Code entitled "Taxation" be amended to add a Title, Article II "Tax Credits" to Chapter 108 and to add a new Section 108-3 entitled "Local Supplement to the State Homeowner's Property Tax Credit" as follows:

ARTICLE II

Tax Credits

§108-2. Homestead Property Tax Credit

A. Pursuant to 9-105(E) of the Tax-Property Article of the Annotated Code of Maryland, the Homestead Property Tax Credit percentage for the City of Hyattsville, effective for the taxable year beginning July 1, 1991, and subsequent years shall be 110%.

B. The Homestead Property Tax Credit program shall be implemented and administered by the Treasurer in accordance with the provisions of state law and rules and regulations established by the State Department of Assessments and Taxation.

§ 108-3 Local Supplement to the State Homeowners Property Tax Credit

A. Tax Credit. A homeowners property tax credit shall be allowed against the City property tax imposed on residential real property if the owner qualifies for the credit under this Article.

B. Definitions. Except as otherwise provided herein, the terms used in this Article shall have the same meaning as set forth in Section 9-104 of the Tax-Property Article of the Annotated Code of Maryland.

- (1) "Assessed value" means the adjusted value to which the property tax is applied.*
- (2) "Director" means the Treasurer for the City of Hyattsville or his or her designee.*
- (3) "Final Tax liability" means the tax liability for any property tax on the property of a dwelling less any property tax credit provided under Section 9-104 of the Tax-Property Article and any supplemental homeowners property tax credit provided under this section and any property tax credit provided by Prince George's County.*
- (4) "Section 9-104" means Section 9-104 of the Tax-Property Article of the Annotated Code of Maryland or any successor provision.*
- (5) "Taxable year" means July 1 to June 30, both inclusive, for which the City computes, imposes and collects real property tax.*
- (6) "Total Eligible City Real Property Tax" means the sum of all City real property tax rates used to calculate the property tax liability for a homeowner for a taxable year, excluding property tax rates in special taxing districts, and excluding City special assessments and charges, such as for stormwater, refuse and the like, or interest and penalties on overdue real property taxes, multiplied by the lesser of:
 - (1) \$350,000; or*
 - (2) the assessed value of the dwelling reduced by the amount of any assessment on which a City property tax credit is granted under Section 9-105; and reduced by any "save harmless" credit mandated under Section 9-101 of the Tax-Property Article of the Maryland Code.**

C. General.

- (1) The Director shall provide to eligible homeowners a City property tax credit as provided in this Article to supplement the State homeowners property tax credit granted under Section 9-104.*
- (2) Except as otherwise expressly stated in this section, all eligibility requirements, statutory definitions, restrictions, application or other procedures which apply to the credit granted under Section 9-104 of the Tax-Property Article also apply to the City homeowners property tax credit provided for in this Article.*

- (3) *A property tax credit under this section may not be granted to a homeowner whose combined net worth exceeds \$200,000 as of December 31st of the calendar year that precedes the year in which the homeowner applies for the property tax credit, or whose combined gross income exceeds \$80,000 in that same calendar year.*

D. Amount.

- (1) *A homeowners tax credit local supplement shall be allowed to eligible homeowners against the total City real property tax paid by the eligible homeowner for the taxable year in which the homeowners tax credit supplement is sought in the amount provided for herein.*
- (2) *The amount of the homeowners property tax credit is the Total Eligible City Real Property Tax on a dwelling less:*
 - (a) *the percentage of the combined gross income of the homeowner stated in 9-104(h)(2) or any amendment to that subsection, and*
 - (b) *15% of the State homeowners property tax credit granted under Section 9-104.*
- (3) *The property tax credit for home purchasers is the amount of the credit as calculated under paragraph (D)(2) immediately above multiplied by a fraction where the numerator of the fraction is the number of days in the taxable year that the home purchaser actually occupies or expects to actually occupy a dwelling in which the home purchaser has a legal interest, and the denominator is 365 days.*
- (4) *If a credit is granted under this section, a revised tax bill or a tax voucher may be used to adjust the final tax liability.*
- (5) *Notwithstanding the foregoing, the amount of the homeowners tax credit local supplement authorized by this Article shall not exceed the total City real property tax liability of the eligible homeowner for the taxable year in which the homeowners tax credit local supplement is sought.*

E. Administration.

The City Manager is responsible for the administration and management of the Homeowners Property Tax Credit program. The City Manager may take all actions necessary in furtherance of said responsibility including, but not limited to,

- (a) *establishing policies and procedures;*
- (b) *delegating responsibility to appropriate City departments, offices, and staff;*

(c) *entering into agreements with the State Department of Assessments and Taxation, Prince George's County, Maryland and other governmental entities or other persons or entities for the cooperation and/or maintenance of one or more aspects of the Homeowners Property Tax Credit program.*

F. Penalties for false and fraudulent information.

A person who knowingly submits a false or fraudulent application, or withholds information, to obtain tax credit under this section has committed a misdemeanor. In addition, the person must repay the City for all amounts credited and all accrued interest and penalties that would apply to those amounts as overdue taxes. The City may enforce this subsection by appropriate legal action. A person who violates this subsection is liable for all court costs and expenses of the City in any civil action brought by the City against the violator.

AND BE IT FURTHER ORDAINED that if any provision of this Ordinance or the application thereof to any person or circumstance is held invalid for any reason, such invalidity shall not affect the other provisions or any other applications of the Ordinance which can be given effect without the invalid provision or applications, and to this end, all the provisions of this Ordinance are hereby declared to be severable;

AND BE IT FURTHER ORDAINED that this Ordinance is an emergency ordinance and shall take effect immediately upon the date of adoption;

AND BE IT FURTHER ORDAINED that a fair summary of this ordinance shall forthwith be published twice in a newspaper having general circulation in the City and otherwise be made available to the public.

INTRODUCED by the City Council of the City of Hyattsville, Maryland, at a regular public meeting on July 21, 2008.

ADOPTED by the City Council of the City of Hyattsville, Maryland, at a regular public meeting as emergency legislation on September 8, 2008, and effective on the date of adoption.

Adopted: September 8, 2008

Attest: Douglas A. Barber
Douglas A. Barber
City Clerk

William F. Gardiner
William F. Gardiner
Mayor

Additions shown in italics.