

# HOUSE BILL 652

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HB 1214/25 – W&M

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By: **Delegates R. Long, Ciliberti, Griffith, Hornberger, Hutchinson, Reilly, and Tomlinson**

Introduced and read first time: January 30, 2026

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Homestead Property Tax Credit – First-Time Homebuyer**

3 FOR the purpose of establishing the taxable assessment to be used for the calculation of  
4 the homestead property tax credit for first-time homebuyers in the State; and  
5 generally relating to the homestead property tax credit.

6 BY repealing and reenacting, without amendments,

7 Article – Tax – Property

8 Section 9–105(a)(1) and (b)

9 Annotated Code of Maryland

10 (2019 Replacement Volume and 2025 Supplement)

11 BY adding to

12 Article – Tax – Property

13 Section 9–105(a)(7) and (d)(9)

14 Annotated Code of Maryland

15 (2019 Replacement Volume and 2025 Supplement)

16 BY repealing and reenacting, with amendments,

17 Article – Tax – Property

18 Section 9–105(a)(7) through (9) and (d)(1), 9–305(e)(1)(iii), and 14–801(c)

19 Annotated Code of Maryland

20 (2019 Replacement Volume and 2025 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

22 That the Laws of Maryland read as follows:

23 **Article – Tax – Property**

24 9–105.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (a) (1) In this section the following words have the meanings indicated.

2           **(7) “FIRST-TIME HOMEBUYER” MEANS AN INDIVIDUAL WHO IS A**  
3   **RESIDENT OF THE STATE AND WHO HAS NOT HAD A LEGAL INTEREST, INDIVIDUALLY**  
4   **OR OTHERWISE, IN A DWELLING IN ANY STATE.**

5           **[(7)] (8)** “Homeowner” means an individual who has a legal interest in a  
6 dwelling or who is an active member of an agricultural ownership entity that has a legal  
7 interest in a dwelling.

8           **[(8)] (9)** “Legal interest” means an interest in a dwelling:

9                   (i) as a sole owner;

10                  (ii) as a joint tenant;

11                  (iii) as a tenant in common;

12                  (iv) as a tenant by the entireties;

13                  (v) through membership in a cooperative;

14                  (vi) under a land installment contract, as defined in § 10–101 of the  
15   Real Property Article;

16                  (vii) as a holder of a life estate; or

17                  (viii) as a settlor, grantor, or beneficiary of a trust if:

18                   1. the settlor, grantor, or beneficiary of the trust does not pay  
19   rent or other remuneration to reside in the dwelling; and

20                   2. legal title to the dwelling is held in the name of the trust  
21   or in the names of the trustees for the trust.

22           **[(9)] (10) (I) [“Taxable] EXCEPT AS PROVIDED IN SUBPARAGRAPH**

23   **(II) OF THIS PARAGRAPH, “TAXABLE assessment” means the assessment on which the**  
24   **property tax rate was imposed in the preceding taxable year, adjusted by the phased-in**  
25   **assessment increase resulting from a revaluation under § 8–104(c)(1)(iii) of this article, less**  
26   **the amount of any assessment on which a property tax credit under this section is**  
27   **authorized.**

28           **(II) NOTWITHSTANDING SUBSECTION (D)(1)(I) OF THIS**

29   **SECTION, FOR THE FIRST TAXABLE YEAR FOR WHICH A FIRST-TIME HOMEBUYER**  
30   **OWES PROPERTY TAXES ON A DWELLING, “TAXABLE ASSESSMENT” MEANS THE**

1 ASSESSMENT ON WHICH THE PROPERTY TAX RATE WAS IMPOSED IN THE PRECEDING  
2 TAXABLE YEAR FOR THE PREVIOUS OWNER, ADJUSTED BY THE PHASED-IN  
3 ASSESSMENT INCREASE RESULTING FROM A REVALUATION UNDER §  
4 8-104(C)(1)(III) OF THIS ARTICLE, LESS THE AMOUNT OF ANY ASSESSMENT ON  
5 WHICH A PROPERTY TAX CREDIT UNDER THIS SECTION IS AUTHORIZED.

6 (b) (1) If there is an increase in property assessment as calculated under this  
7 section, the State and the governing body of each county and of each municipal corporation  
8 shall grant a property tax credit under this section against the State, county, and municipal  
9 corporation property tax imposed on real property by the State, county, or municipal  
10 corporation.

11 (2) A property tax credit granted under this section shall be applicable to  
12 any State, county, or municipal corporation property tax and any property tax imposed for  
13 a bicoounty commission.

14 (d) (1) Subject to the provisions of paragraph (6) of this subsection AND  
15 EXCEPT AS PROVIDED IN PARAGRAPH (9) OF THIS SUBSECTION, the Department shall  
16 authorize and the State, a county, or a municipal corporation shall grant a property tax  
17 credit under this section for a taxable year unless during the previous taxable year:

18 (i) the dwelling was transferred for consideration to new ownership;

19 (ii) the value of the dwelling was increased due to a change in the  
20 zoning classification of the dwelling initiated or requested by the homeowner or anyone  
21 having an interest in the property;

22 (iii) the use of the dwelling was changed substantially; or

23 (iv) the assessment of the dwelling was clearly erroneous due to an  
24 error in calculation or measurement of improvements on the real property.

25 (9) NOTWITHSTANDING PARAGRAPH (1)(I) OF THIS SUBSECTION AND  
26 SUBJECT TO THE PROVISIONS OF PARAGRAPH (6) OF THIS SUBSECTION, THE  
27 DEPARTMENT SHALL AUTHORIZE AND THE STATE, A COUNTY, OR A MUNICIPAL  
28 CORPORATION SHALL GRANT A PROPERTY TAX CREDIT UNDER THIS SECTION TO A  
29 FIRST-TIME HOMEBUYER BEGINNING WITH THE FIRST TAXABLE YEAR IN WHICH THE  
30 FIRST-TIME HOMEBUYER HAS A LEGAL INTEREST IN THE DWELLING.

31 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
32 as follows:

33 **Article – Tax – Property**

34 9-305.

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1                   (e)     (1)     Subject to paragraphs (2) and (3) of this subsection, the governing body  
2     of Baltimore County may grant, by law, a property tax credit against the county property  
3     tax imposed on residential real property that is:

4                   (iii)    used as the principal residence of a homeowner as defined in [§  
5     9–105(a)(7)] **§ 9–105** of this title; and

6     14–801.

7                   (c)     “Owner-occupied residential property” means, with respect to a property  
8     located in Baltimore City, the principal residence of a homeowner as defined in [§  
9     9–105(a)(7)] **§ 9–105** of this article.

10                  SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
11     1, 2026, and Section 1 of this Act shall be applicable to all taxable years beginning after  
12     June 30, 2026.