

The Honorable Blair Lee, III
Acting Governor of Maryland
State House
Annapolis, Maryland 21401

Re: Senate Bill 738

Dear Governor Lee:

House Bill 1168 and Senate Bill 731, both enacted by the 1978 session of the General Assembly, are identical bills which amend Section 12F-1 of Article 81 of the Maryland Annotated Code. These bills, generally known as the "circuit breaker extension bills," repeal and reenact Section 12F-1 for the purpose of extending circuit breaker tax relief to homeowners who are not 60 years of age or older and who are not permanently disabled, but who, on the basis of income, are provided with a partial tax credit on their real property taxes.

While the new Section 12F-1 has many similarities to the present section, many adjustments were made in the definitional sections in response to various problems which became apparent during the administration of the circuit breaker program which took effect on July 1, 1974. This bill does establish a new procedure for the provisions of a tax credit to the "partial credit homeowner," that is, those homeowners not yet 60 or disabled. These homeowners make application for their tax credit directly to the Department of Assessments and Taxation, and if the credit is allowed, receive from the Department a voucher which may be presented to the county or Baltimore City in partial payment of the property tax, or if the property tax is paid, for a tax refund. The portions of the bill providing a tax credit to the partial credit homeowner are repealed automatically on July 1, 1981, without further action by the General Assembly.

For the reasons set forth in our opinion of May 23, 1974, to the Honorable Marvin Mandel, we believe that these circuit breaker extension bills are constitutional.

House Bills 1178, 89, and 861 and Senate Bill 738 each amend provisions of the present Section 12F-1. While we have reviewed these bills and find each of them to be constitutional, if the circuit breaker extension bills are signed, these bills should not be signed. If they are signed prior to the circuit breaker extension bills, they will be repealed by the signing of those bills. If they are signed after the circuit breaker extension bills, they will amend nonexistent subsections of Section 12F-1. In addition, the concepts set forth in these bills are incorporated in the tax credit extension bills.