

**Department of Legislative Services**  
Maryland General Assembly  
2015 Session

**FISCAL AND POLICY NOTE**

House Bill 792  
Ways and Means

(Delegate A. Washington, *et al.*)

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**Property Tax Credit - Elderly Homeowners**

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This bill authorizes local governments to grant, by law, a property tax credit that is equal to the amount of the property tax imposed on the increase, if any, in the assessment value of a dwelling when compared to the previous assessment, minus the amount of any other property tax credit. To be eligible for the tax credit, the homeowner (1) must be at least 70 years old on the first day of a taxable year; (2) has resided in the dwelling for at least 10 years prior to the first day of a taxable year; (3) is making regular mortgage payments on the dwelling; (4) has household gross income that does not exceed \$45,000; and (5) has household net worth that does not exceed \$250,000 as of December 31 of the preceding calendar year, excluding the value of the dwelling.

The bill takes effect June 1, 2015, and applies to taxable years beginning after June 30, 2015.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** County and municipal property tax revenues may decrease beginning in FY 2016 to the extent that local jurisdictions grant the property tax credit authorized by the bill. The amount of the revenue decrease depends on the number of eligible homeowners, the amount of any property tax assessment increases, and local property tax rates. Local expenditures are not affected.

**Small Business Effect:** None.

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## Analysis

**Current Law:** Baltimore City, counties, and municipalities are authorized to grant a property tax credit against the county or municipal property tax imposed on real property that is owned and used as the principal residence of an individual who is at least age 65 and of limited income. Local governments are authorized to provide for the amount and duration of the tax credit, additional eligibility criteria for the tax credit, regulations and procedures for the application and uniform processing of requests for the tax credit, and any other provisions necessary.

**Local Fiscal Effect:** County and municipal property tax revenues may decrease beginning in fiscal 2016 to the extent that local jurisdictions grant the property tax credit authorized by the bill. However, the actual amount of the revenue decrease depends on the number of eligible homeowners, the value of any property tax assessment increases for each eligible homeowner, and local property tax rates.

**Exhibit 1** shows county property tax revenues for fiscal 2013 through 2015. Information on local property tax rates and property assessments for Maryland counties and Baltimore City can be found in Chapters 4 and 5 of the [Overview of Maryland Local Governments](#) report. A copy of the report can be found on the Department of Legislative Services website.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Carroll and Queen Anne's counties, Town of Leonardtown, State Department of Assessments and Taxation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 2015  
min/hlb

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**Exhibit 1**  
**Property Tax Revenue Trend for Fiscal 2013-2015**

<b>County</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2013-2014 \$ Difference</b>	<b>FY 2014-2015 \$ Difference</b>	<b>Average Annual Difference</b>
Allegany	\$40,302,290	\$43,924,995	\$41,239,460	\$3,622,705	-\$2,685,535	1.2%
Anne Arundel	621,955,030	641,277,200	661,259,500	19,322,170	19,982,300	3.1%
Baltimore City	759,221,334	755,756,001	780,587,000	-3,465,333	24,830,999	1.4%
Baltimore	853,859,722	853,891,460	866,857,555	31,738	12,966,095	0.8%
Calvert	141,281,902	138,400,000	139,549,219	-2,881,902	1,149,219	-0.6%
Caroline	24,106,972	24,572,670	24,502,110	465,698	-70,560	0.8%
Carroll	198,426,541	196,094,923	192,258,630	-2,331,618	-3,836,293	-1.6%
Cecil	104,235,995	103,472,770	102,903,420	-763,225	-569,350	-0.6%
Charles	200,012,954	211,618,749	213,987,400	11,605,795	2,368,651	3.4%
Dorchester	31,930,405	30,078,941	30,027,714	-1,851,464	-51,227	-3.0%
Frederick	261,007,403	262,339,935	267,861,882	1,332,532	5,521,947	1.3%
Garrett	49,609,030	48,466,651	45,271,941	-1,142,379	-3,194,710	-4.5%
Harford	287,888,796	284,936,004	285,102,318	-2,952,792	166,314	-0.5%
Howard	525,266,975	540,722,652	554,720,518	15,455,677	13,997,866	2.8%
Kent	30,174,622	30,212,616	30,051,655	37,994	-160,961	-0.2%
Montgomery	1,486,018,769	1,517,637,972	1,549,881,856	31,619,203	32,243,884	2.1%
Prince George's	962,314,406	951,140,700	969,654,300	-11,173,706	18,513,600	0.4%
Queen Anne's	64,057,050	64,847,473	62,676,436	790,423	-2,171,037	-1.1%
St. Mary's	100,809,676	103,137,047	103,319,238	2,327,371	182,191	1.2%
Somerset	14,822,293	14,946,799	13,762,549	124,506	-1,184,250	-3.6%
Talbot	32,741,855	33,660,872	34,177,500	919,017	516,628	2.2%
Washington	122,470,175	121,449,621	117,938,190	-1,020,554	-3,511,431	-1.9%
Wicomico	60,969,775	61,053,654	62,651,923	83,879	1,598,269	1.4%
Worcester	121,570,804	117,311,192	117,933,052	-4,259,612	621,860	-1.5%
<b>Total</b>	<b>\$7,095,054,774</b>	<b>\$7,150,950,897</b>	<b>\$7,268,175,366</b>	<b>\$55,896,123</b>	<b>\$117,224,469</b>	<b>1.2%</b>

Note: Property tax revenues for Charles, Frederick, and Howard counties include special fire district tax. Property tax revenues for Montgomery County include special fire, mass transit, and recreation district taxes.

Source: Department of Legislative Services, County Budgets