

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 849

(Senator Lam, *et al.*)

Budget and Taxation

Property Tax Credit - Airport Noise Zones - Eligibility

This bill alters a local option property tax credit for owner-occupied residential real property located near Baltimore-Washington International Thurgood Marshall Airport (BWI Marshall Airport). **The bill takes effect June 1, 2021, and applies to taxable years beginning after June 30, 2021.**

Fiscal Summary

State Effect: None.

Local Effect: Anne Arundel County property tax revenues decrease by approximately \$648,400 annually beginning in FY 2022. County expenditures are not directly affected.

Small Business Effect: None.

Analysis

Bill Summary/Current Law: Counties and municipalities are authorized to grant a property tax credit for owner-occupied residential real property situated entirely or in part within the 75 Loudness Day Night (LDN) noise contour as established by the airport noise zone surrounding the BWI Marshall Airport. The bill alters the property tax credit to include residential properties within the 65 LDN noise contour.

A local government is authorized to provide for (1) the amount and duration of the property tax credit and (2) any other provision necessary to carry out the property tax credit. The bill specifies that the amount of the property tax credit may include a tiered system that

varies the amount or duration of the credit based on where the property is situated in the airport noise zone.

Local Fiscal Effect: Anne Arundel County authorizes a 50% property tax credit for owner-occupied residential property that is located entirely or in part within the 75 LDN contour located within the BWI Marshall Airport noise zone. However, the county advises that there are no residential properties within the 75 LDN noise contour, and no property tax credits have been granted.

The bill expands the eligibility of the property tax credit to include residential properties located in the 65 LDN noise contour. As a result, Anne Arundel County property tax revenues decrease by approximately \$648,400 annually beginning in fiscal 2022. The estimate is based on the following:

- 456 residential properties are located within the 65 LDN contour, as identified by the Anne Arundel County Office of Planning and Zoning;
- the fiscal 2021 county real property tax rate is \$0.934 per \$100 of assessment;
- the average taxable residential assessment is \$304,500 for fiscal 2020; and
- the average property tax credit is \$1,422.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 1180 (Delegate Hill) - Ways and Means.

Information Source(s): Baltimore City; Anne Arundel County; Baltimore County; Maryland Department of Transportation; State Department of Assessments and Taxation; Department of Legislative Services

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an/hlb

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