

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 911 (Senator Attar, *et al.*)
 Budget and Taxation

Property Tax - Exemption for Blind Individuals - Alteration

This bill expands an existing property tax exemption for blind individuals or their surviving spouses by increasing from \$15,000 to \$40,000, the amount of the assessed value of the individual’s dwelling that is exempt from State and local property taxes. **The bill takes effect June 1, 2025, and applies to all taxable years beginning after June 30, 2025.**

Fiscal Summary

State Effect: Annuity Bond Fund revenues decrease by approximately \$40,000 annually beginning in FY 2026. State expenditures are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)
Expenditure	0	0	0	0	0
Net Effect	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local property tax revenues decrease by approximately \$450,000 annually beginning in FY 2026. Local expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: Dwelling houses owned by specified blind individuals or their surviving spouses are provided a property tax exemption of \$15,000 from the total assessed value.

State Fiscal Effect: The State Department of Assessments and Taxation indicates that 1,431 accounts received the property tax exemption for the 2024 tax year. Based on the current \$15,000 exemption amount and the \$0.112 State property tax rate (per \$100 of assessed value), the current property tax exemption for blind individuals reduces State property tax revenues by approximately \$25,000 annually. By increasing the exemption amount to \$40,000, State property tax revenues would decrease by approximately \$40,000 annually beginning in fiscal 2026. This results in a State property tax savings of \$28 for each individual.

Local Fiscal Effect: Local property tax revenues may decrease by approximately \$450,000 annually beginning in fiscal 2026. The estimate is based on a weighted average county property tax rate of \$1.20 (per \$100 of assessment) and assumes that all properties have a total assessed value of greater than \$40,000. The revenue estimate has been adjusted to reflect the municipal portion of the individual's property tax bill. Based on this estimate, the local property tax savings average \$320 for each individual.

In response to a request for information on the potential impact of this legislation, Harford County indicates that 60 homeowners currently receive the property tax exemption and as a result, the bill will reduce county revenues by \$14,700 annually. Montgomery County indicates that 181 homeowners currently receive the property tax exemption, with county revenues decreasing by \$43,400 annually due to the higher exemption amount. Wicomico County indicates that 25 homeowners currently receive the property tax exemption, with county revenues decreasing by approximately \$8,500 annually.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 910 (Delegate Wolek, *et al.*) - Ways and Means.

Information Source(s): Harford, Montgomery, and Wicomico counties; Maryland Association of Counties; Maryland Municipal League; State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2025
js/hlb

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