

**Department of Legislative Services**  
Maryland General Assembly  
2001 Session

**FISCAL NOTE**

House Bill 1353  
Ways and Means

(Delegate Franchot)

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**Homestead Property Tax Credit - Percentage**

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This bill provides that if a county does not notify the State Department of Assessments and Taxation by November 15 each year of its homestead property tax credit percentage cap, then the cap shall be 104%. The bill also provides that the municipal homestead credit percentage remains effective until changed by the municipality.

The bill is effective July 1, 2001 and applicable to tax years beginning July 1, 2002.

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**Fiscal Summary**

**State Effect:** None. The change is procedural in nature and would not directly affect governmental finances.

**Local Effect:** None, assuming that counties that want to have a cap other than 104% will notify the Department of Assessments and Taxation by November 15 each year.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The homestead property tax credit relieves homeowners from taxation on assessment increases above a fixed annual percentage. A county sets its own homestead credit percentage, from 100% to 110%, and must notify the Department of Assessments and Taxation by November 15 preceding the taxable year for which the percentage is set. If the county does not notify the department, the homestead credit percentage will be the rate from the preceding taxable year.

**Background:** There are currently 20 counties that have a homestead credit cap other than 104%.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Assessments and Taxation; Montgomery, Prince George's, and Somerset counties; Department of Legislative Services

**Fiscal Note History:** First Reader – March 15, 2001  
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