

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 862  
Ways and Means

(Carroll County Delegation)

Budget and Taxation

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**Carroll County - Property Tax - Credit for Elderly Individuals of Limited  
Income**

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This bill authorizes the Carroll County Commissioners to grant, by law, a property tax credit on real property used as a principal residence and owned by individuals who are at least 65 years old and of limited incomes. The county commissioners may establish eligibility criteria for the credit, the amount and duration of the tax credit, regulations and procedures, and any other provisions necessary to carry out the credit.

The bill takes effect June 1, 2005 and applies to all taxable years beginning after June 30, 2005.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Potential decrease in Carroll County property tax revenues, dependent upon the amount and duration of any credit granted. County expenditures would not be affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The Carroll County Commissioners are not authorized to grant a property tax credit on real property owned by individuals who are at least 65 years old and of limited incomes.

**Background:** According to U.S. Census Bureau data, there are 17,626 individuals over the age of 65 in Carroll County. The median household income in Carroll County is \$69,100. Carroll County has an 82% homeownership rate. Census data also indicates that 12,590 individuals are receiving an average Social Security benefit of \$11,897 and 9,413 individuals are receiving an average pension benefit of \$17,685. Approximately 750 senior citizens are below the poverty level. In fiscal 2004, 1,715 homeowners received an average Homeowners' Property Tax Credit of \$917.

The Carroll County property tax rate is \$1.048 per \$100 of assessed value for fiscal 2005.

**Local Fiscal Effect:** Carroll County property tax revenues could decrease assuming enactment of a local option tax credit for homeowners age 65 and over. The extent of any revenue decrease depends on the amount and duration of the credit enacted.

**Exhibit 1** shows, *for illustrative purposes only*, a possible effect of a 50% property tax credit for senior citizens in Carroll County.

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<b>Exhibit 1</b>	
<b>Potential Revenue Effect of a Tax Credit for Senior Citizens</b>	
Seniors Residing in Carroll County	17,626
Homeownership Rate	82%
Estimated Eligible Homeowners	14,453
Average Assessment	\$187,536
Property Tax Rate	\$1.048
Amount of Credit	50%
<b>Potential Revenue Decrease</b>	<b>\$14,203,092</b>

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Department of Assessments and Taxation, Department of Legislative Services

**Fiscal Note History:** First Reader - March 14, 2005  
mp/hlb Revised - House Third Reader - March 28, 2005

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