

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 54
Ways and Means

(Delegate Guzzone)

Budget and Taxation

Property Tax - Credit - Accessibility Features

This bill authorizes local governments to grant, by law, a property tax credit for residential real property equipped with an accessibility feature. Local governments are authorized to provide, by law, for the amount and duration of the credit, additional eligibility criteria, regulations for the application and uniform processing of requests for the tax credit, and any other provision necessary.

The bill takes effect June 1, 2008 and is applicable to all taxable years beginning after June 30, 2008.

Fiscal Summary

State Effect: None.

Local Effect: County and municipal property tax revenues could decrease beginning in FY 2009. The amount of any decrease depends on the number of eligible residences in the jurisdiction and the amount of any credit granted.

Small Business Effect: None.

Analysis

Bill Summary: Accessibility feature means • a no-step entrance allowing access into a residence; • interior passage doors providing at least a 32-inch-wide clear opening; • grab bars around a toilet, tub, or shower installed to support at least 250 pounds; • light switches, outlets, and thermostats placed in wheelchair-accessible locations; • lever handles on doors; and • universal design features or any accessibility enhancing design

feature prescribed by the Department of Housing and Community Development under the Public Safety Article.

Current Law: Local governments are not authorized to grant property tax credits for residential properties with accessibility features. However, the State Department of Assessments and Taxation is authorized to exclude specified changes to a building if the changes are necessary due to the health or medical condition of the resident of the building. The amount of the exemption may not exceed 10% of the assessed value of a building.

Background: The Maryland Accessibility Code (Section 12-202 of the Public Safety Article) requires DHCD to establish minimum requirements that provide for the accessibility and usability of buildings and facilities by individuals with disabilities.

Georgia (up to \$500) and Virginia (up to \$2,500) offer a property tax credit for residential properties that have specified accessibility or visitability features.

Local Fiscal Effect: County and municipal property tax revenues could decrease beginning in fiscal 2009. The amount of any decrease, however, would depend on the number of eligible residences and the amount of credit granted in each jurisdiction.

Census data indicates that there are approximately 386,900 individuals with disabilities in Maryland. However, there is no data on the number of disabled individuals who own homes or on the number of homes with the accessibility features specified by the bill.

Exhibit 1 shows the estimated effect of a 50% property tax credit on county revenues for one qualified property in each county assuming the cost to install accessibility features equals the annual property tax liability.

Montgomery County indicates that there is a county program called Design for Life Montgomery which tracks the number of residences that have been brought up to accessibility standards. This program indicates that about 15 residences per year are converted to meet accessibility requirements each year.

Exhibit 1
Effect of a 50% Property Tax Credit

County	Average Residential Assessment	Tax Rate	Estimated Tax	50% Property Tax Credit
Allegany	\$81,378	\$0.983	\$800	\$400
Anne Arundel	331,888	0.891	2,957	1,479
Baltimore City	113,460	2.268	2,573	1,287
Baltimore	224,534	1.100	2,470	1,235
Calvert	301,857	0.892	2,693	1,346
Caroline	169,211	0.870	1,472	736
Carroll	279,977	1.048	2,934	1,467
Cecil	212,553	0.960	2,041	1,020
Charles	269,286	1.026	2,763	1,381
Dorchester	154,902	0.896	1,388	694
Frederick	289,571	1.064	3,081	1,541
Garrett	117,771	1.000	1,178	589
Harford	235,475	1.082	2,548	1,274
Howard	391,204	1.150	4,499	2,249
Kent	215,923	0.972	2,099	1,049
Montgomery	473,556	0.916	4,338	2,169
Prince George's	246,690	1.319	3,254	1,627
Queen Anne's	336,744	0.770	2,593	1,296
St. Mary's	247,522	0.857	2,121	1,061
Somerset	109,026	0.940	1,025	512
Talbot	390,257	0.475	1,854	927
Washington	186,897	0.948	1,772	886
Wicomico	151,540	0.881	1,335	668
Worcester	247,140	0.700	1,730	865

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County, Prince George's County, Calvert County, Baltimore City, Department of Disabilities, Department of Housing and Community Development, Department of Legislative Services

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