

Department of Legislative Services  
2010 Session

FISCAL AND POLICY NOTE  
Revised

Senate Bill 922

(Senator Haines, *et al.*)

Budget and Taxation

Ways and Means

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**Carroll County - Property Tax Credit for Housing Units at Independent Living Retirement Communities**

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This bill authorizes Carroll County, or a municipality in the county, to grant a property tax credit for that portion of real property owned by an independent living retirement community that is used as housing units. The county or municipalities are authorized to provide for the amount and duration of the tax credit, additional eligibility criteria for the tax credit, regulations and procedures for the application and uniform processing of requests for the tax credit, and any other provision necessary.

The bill takes effect June 1, 2010, and applies to taxable years beginning after June 30, 2010.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Carroll County revenues may decrease by \$409,000 beginning in FY 2011 to the extent the tax credit is granted. The revenue decrease depends on the property tax assessment of eligible properties and the amount of the tax credit granted. County expenditures are not affected.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** Carroll County is authorized to grant a property tax credit for (1) property owned by the Maryland Jaycees Foundation of Carroll County; (2) property leased and used by the Sykesville Little League; (3) residential property owned by specified seniors of limited income; (4) property located in designated geographic regions

of the county; owned by specified classes of persons; and renovated, upgraded, or rehabilitated in accordance with eligibility criteria established by the county; and (5) nonresidential green buildings.

The Carroll County real property tax rate is \$1.048 per \$100 of assessment.

**Local Fiscal Effect:** There are 35 continuing care retirement communities in the State which are regulated by the Maryland Department of Aging, of which four are for-profit entities. These communities consist of 12,174 living units. Two of these communities – Carroll Lutheran Village and Fairhaven – are located in Carroll County and consist of 758 living units. The bill authorizes the county to grant a property tax credit for that portion of real property owned by an independent living retirement community that is used as housing units.

The State Department of Assessments and Taxation has identified four real property tax accounts within these two communities, of which two are classified as tax exempt. The two taxable accounts are located within the Fairhaven community and consist of 315,640 square feet of improvements on 40 acres. The property has a fiscal 2011 assessment of \$39 million. To the extent that the tax credit is granted, Carroll County property tax revenues may decrease by \$409,000 beginning in fiscal 2011. The estimate is based on the number of independent living retirement communities in Carroll County, as reported by the Maryland Department of Aging and fiscal 2011 property assessment data. To the extent that some of this property consists of property that is not used for housing units, the revenue decrease will be less than estimated.

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### Additional Information

**Prior Introductions:** SB 782 of 2009 received a hearing in the Senate Budget and Taxation Committee, but no further action was taken.

**Cross File:** None.

**Information Source(s):** State Department of Assessments and Taxation, Property Tax Assessment Appeals Board, Office of the Attorney General (Consumer Protection Division), Judiciary (Administrative Office of the Courts), Secretary of State, Department of Legislative Services

**Fiscal Note History:** First Reader - March 19, 2010  
mpc/hlb Revised - Senate Third Reader - April 6, 2010

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