

Department of Legislative Services
Maryland General Assembly
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FISCAL AND POLICY NOTE
First Reader

House Bill 888
Ways and Means

(Delegate Long)

Baltimore County - Property Tax Credit - Revitalization Districts

This bill authorizes Baltimore County to grant, by law, a property tax credit for a dwelling that is (1) located in a revitalization district; (2) owned by a homeowner who, on or after June 1, 2019, made substantial improvements to the dwelling in compliance with the code and laws applied to dwellings; and (3) reassessed at a higher value. The bill specifies the value of the property tax credit as well as procedures for administering the property tax credit. **The bill takes effect June 1, 2019, and applies to taxable years beginning after June 30, 2019.**

Fiscal Summary

State Effect: None.

Local Effect: Baltimore County property tax revenues decrease beginning in FY 2020 to the extent the property tax credit is granted. The amount of the decrease depends on revitalization districts defined by the county, the number of eligible homeowners, and the assessed value of eligible dwellings. Baltimore County expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: Baltimore County is required to grant a property tax credit for property that is owned by (1) the Harford Park Improvement Association of Baltimore County; (2) Lynch Point Improvement Association; (3) Chestnut Ridge Improvement Association of Baltimore County; and (4) the Relay Improvement Association of Baltimore County.

In addition, Baltimore County is authorized to grant a property tax credit for real property owned by (1) the Twin River Protective and Improvement Association; (2) the Bowley's Quarters Improvement Association; (3) the Oliver Beach Improvement Association; (4) the Baltimore County Game and Fish Association; (5) the Eastfield Civic Association; (6) the Rockaway Beach Improvement Association; (7) the Fire Museum of Maryland; (8) the Carney Rod and Gun Club; (9) the Rosa Ponselle Charitable Foundation, known as "Villa Pace"; (10) the Friends of the Oliver House; (11) the Bird River Beach Community Association; (12) the Harewood Park Community League; (13) the Maryland State Game and Fish Protective Association; (14) the Bowerman-Loreley Beach Community Association; (15) the Civic League of Inverness; (16) the Rosewald Beach Civic League; and (17) any other nonprofit community association, civic league or organization, or recreational or athletic organization.

Tax credits also may be granted to specified real property improvements that promote business redevelopment; units of a condominium, under specified conditions; dwellings, meeting specified conditions; property owned by the Gunpowder Valley Conservancy; and personal property that is owned by the Genesee Valley Outdoor Learning Center and Leadership Through Athletics. Real property leased by Leadership Through Athletics is eligible for a real property tax credit. A real property tax credit may be granted to specified residential property located near the Eastern Sanitary Landfill Solid Waste Management Facility under certain circumstances.

Chapter 709 of 2018 requires Baltimore County to grant a property tax credit to homeowners who are at least 70 years old and qualify to receive either the State homeowners' property tax credit or the Baltimore County local homeowners' property tax credit supplement, under specified circumstances. In order to receive this property tax credit, the homeowner may not receive any other property tax credit provided by Baltimore County. The amount of the property tax credit is equal to 50% of the amount of the combined tax credits received from the State homeowners' property tax credit and the Baltimore County local homeowners' property tax credit supplement.

Background: Baltimore County is authorized to provide a property tax credit that is similar to this bill for improvements made to real property in specified commercially zoned areas. Baltimore City provides a property tax credit for improvements made to certain vacant dwellings.

Local Fiscal Effect: Baltimore County property tax revenues decrease beginning in fiscal 2020 to the extent the property tax credit is granted. The amount of the decrease depends on revitalization districts defined by the county, the number of eligible homeowners, and the assessed value of eligible dwellings, none of which can be reliably estimated at this time.

The Baltimore County real property tax rate is \$1.10 per \$100 of assessed value for fiscal 2019. The average taxable value for residential property receiving the homestead property tax credit is \$252,878. There are 243,507 improved residential property tax accounts (including condominiums) in Baltimore County.

Additional Information

Prior Introductions: HB 114 of 2017 received a hearing in the House Ways and Means Committee, but no further action was taken. HB 337 of 2016 passed the House and received a hearing in the Senate Budget and Taxation Committee, but no further action was taken.

Cross File: None.

Information Source(s): Baltimore County; State Department of Assessments and Taxation; Department of Legislative Services

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