

# **2022 MGA - HB 1186 - Property Tax Credit - Elderly**

Uploaded by: Barry Glassman

Position: FAV



# BARRY GLASSMAN

HARFORD COUNTY EXECUTIVE

The Honorable Guy Gazzone  
Chair, Senate Budget and Taxation Committee  
3 West, Miller Senate Office Building  
Annapolis, MD 21401

March 30, 2022

**RE: HB 1186 – Property Tax Credit – Elderly Individuals, Veterans, and Surviving Spouses – Alterations (As Amended) – SUPPORT**

Dear Mr. Chair and Members of the Committee:

Thank you for allowing me the opportunity to express my **SUPPORT** for **HB 1186 – Property Tax Credit – Elderly Individuals, Veterans, and Surviving Spouses – Alterations**, as amended by the House of Delegates and before you today.

As presented, this legislation would allow Baltimore City, a County, or a Municipality to extend from the current 5 years to 10 years the duration of a property tax credit (up to a maximum assessed value of \$650,000) offered by that jurisdiction to any of their respective residents at least age 65, a veteran or active duty member of the United States military, a surviving spouse of a veteran who has not remarried, and/or an eligible veteran with a service-connected disability who meet the criteria as set forth under the Maryland Property Tax Article and their respective local government Code or Charter.

Our Administration was one of the first to implement this program when it was put in place four years ago. With this program, we have been able to provide some financial relief to a number of our senior citizens and our veterans. Absent this extension, however, this program will reach its five-year limit and no longer be available for those who helped up pioneer this benefit.

Your **FAVORABLE** vote on this legislation will help extend this program for those eligible citizens who clearly will benefit from this tax credit. It is but a small sacrifice we can make for those who through their years of dedicated service to our Country and to our communities have given us so much more.

Thank you for your consideration.

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220 South Main Street, Bel Air, Maryland 21014

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Sincerely,

A handwritten signature in blue ink, appearing to read 'Barry Glassman', with a stylized, cursive script.

Barry Glassman  
Harford County Executive

**2022 Senate-Testimony HB 1186-Reilly.pdf**

Uploaded by: Teresa Reilly

Position: FAV

**TERESA E. REILLY**  
*Legislative District 35B*  
Cecil and Harford Counties

Health and Government  
Operations Committee

Rules and Executive  
Nominations Committee

*Subcommittees*

Health Occupations and  
Long Term Care

Public Health and  
Minority Disparities

*Chair*

Harford County House Delegation



The Maryland House of Delegates  
6 Bladen Street, Room 203  
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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**HB 1186 Property Tax Credit-Elderly Individuals, Veterans, and Surviving Spouses-Alterations**  
**Senate Budget and Taxation Committee**  
**March 29, 2022**

Chair Guzzone, Vice Chair Rosapepe and members of the Senate Budget and Taxation Committee:

HB 1186 alters the number of years that local governments may grant a property tax credit for certain elderly individuals, veterans, or surviving spouses by extending the duration of the tax credit from a period of 5 years to up to 10 years. The amount of the tax credit may not exceed 20% of the county or municipal property tax imposed on the property, and the maximum assessed value of the dwelling may not exceed \$650,000.

This is an opt-in law that provides a framework for counties to use to tailor the parameters to benefit their constituency. As you can see from the list below, eight counties currently provide a tax credit for eligible residents:

**Anne Arundel** (dwelling \$500,000 or less; 15% of tax)

**Cecil** (dwelling \$400,000 or less, income \$84,000 or less)

**Frederick** (For individuals at least 65 who have lived in the same dwelling for at least 40 years or are a veteran. Combined gross income must be \$80,000 or less)

**Harford** (For individuals at least 65 years old who have lived in the dwelling for at least 40 years and retired veterans at least 65)

**Howard** (Have lived in the dwelling at least 35 years if not a veteran or surviving spouse; must be at least 65; may not also receive the credit for senior citizens)

**Montgomery** (For individuals at least 65 years old who (1) have lived in the same dwelling for at least 40 years; (2) are a retired veteran; or (3) are the unmarried surviving spouse of a veteran. The value of the home must not exceed \$650,000 for non-veteran elderly or \$500,000 for veterans.)

**Queen Anne's** (For veterans at least 65 years old)

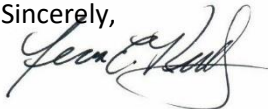
**St. Mary's** (For individuals at least 65 who have lived in the same dwelling for at least 40 years and individuals at least 65 who are retired members of the U.S. Armed Forces. Dwelling must not be assessed at more than \$400,000 and income may not exceed \$80,000.)

This bill extends the property tax credit that was passed in 2016 for qualifying individuals including those 65 and over who have lived in the same house for a minimum of 40 years; retired members of the uniformed services of the United States who are at least 65 years old, a surviving spouse of that uniformed service member who is at least 65 years old and who remains unmarried; an active duty, retired, or honorably discharged member of the uniformed services with a service-connected disability, or that member's unmarried surviving spouse.

I would like to point out that this bill has been narrowly crafted to avoid a violation of the Uniformity Clause of the Maryland Declaration of Rights, Article 15, which requires that property tax be assessed uniformly. This requirement is met by limiting the extension of the tax credit for an additional five years for a maximum of ten years. (Please see the highlighted foot note on page 2 of the Assistant Attorney General's letter.)

I respectfully ask for a favorable report from the committee.

Sincerely,



Delegate Teresa E. Reilly  
District 35 B, Cecil and Harford Counties

# **2022-Highlighted-AG Opinion-Property Tax Credit-2.**

Uploaded by: Teresa Reilly

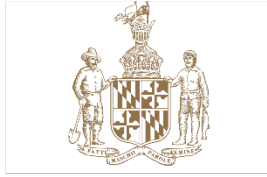
Position: FAV

RE: HB 1186

BRIAN E. FROSH  
ATTORNEY GENERAL

ELIZABETH F. HARRIS  
CHIEF DEPUTY ATTORNEY GENERAL

CAROLYN A. QUATTROCKI  
DEPUTY ATTORNEY GENERAL



THE ATTORNEY GENERAL OF MARYLAND  
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JEREMY M. MCCOY  
ASSISTANT ATTORNEY GENERAL

DAVID W. STAMPER  
ASSISTANT ATTORNEY GENERAL

November 2, 2021

The Honorable Teresa E. Reilly  
203 Lowe House Office Building  
Annapolis, Maryland 21401-1991

Dear Delegate Reilly:

You have asked for advice concerning Tax-Property Article (“TP”), § 9-258. Specifically, you have asked whether the five year limit found in this section means that the section sunsets five years after its adoption or that the property tax credit can only be applied to a given property for five years. It is my view that the latter is the proper reading.

Tax-Property Article, § 9-258 was enacted by Chapter 498 (House Bill 898) of 2016. It authorizes the City of Baltimore or the governing body of a county or municipal corporation to grant a property tax credit against the county or municipal corporation property tax imposed on the dwelling of an individual who is at least 65 years old and has either lived in the dwelling for at least the preceding 40 years or is a retired member of the armed forces of the United States. The property tax credit may be granted for a period of up to 5 years. TP § 9-258(c). Section 2 of the bill reflects that it “shall take effect June 1, 2016 and shall be applicable to *all taxable years* beginning after June 1, 2016.” (emphasis added).

It is my view that Section 2 of the bill makes clear that the authority to grant the property tax credit is applicable for all taxable years starting after June 1, 2016 until such time as the section is repealed by action of the General Assembly. It is also my view that the five year limit




The Honorable Teresa E. Reilly

November 2, 2021

Page 2

in TP § 9-258(c) does not place a limit on the authority of governmental bodies to grant the property tax generally, but rather to the length of time that a homeowner can qualify for the property tax credit.<sup>1</sup>

Sincerely,



Kathryn M. Rowe

Assistant Attorney General

KMR/kmr

reillyt02

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<sup>1</sup> This limitation was likely adopted to avoid violation of the uniformity clause of Maryland Declaration of Rights, Article 15, which requires property tax to be assessed uniformly. It is possible that a single renewal of the five years could be permissible, however, as Attorney General J. Joseph Curran, Jr. opined that a property tax credit was not in clear violation of the uniformity clause until it reached its tenth year. *72 Opinions of the Attorney General* 350, 354 (1987) citing Letter (House Bill 321) from Attorney General Sachs to Governor Hughes (May 20, 1985) (“[W]e will be unable to approve the extension of this program beyond the tenth [year] without an amendment to the Uniformity Clause.”).”

# **HB1186 Testimony 22 Session.pdf**

Uploaded by: Theresa Kuhns

Position: FAV



**House Bill 1186 – Property Tax – Elderly Individuals, Veterans and Surviving Spouses**

**Position: Favorable**

The Maryland REALTORS® supports HB 1186 which alters, from 5 to 10 years, the time period in which a property tax credit can be granted by local governments for elderly individuals, veteran and surviving spouses. We believe HB 1186 will help keep vulnerable owners in their home.

In a January 2022 survey by American Strategies on the Maryland Housing Market, 48 percent of Marylanders feel a strain on their budget as a result of the amount they pay in housing– up five points from 2022. One-in-five voters are now worried about missing a rent or mortgage payment in the next three months. Finally, seniors also face a challenge with 59 percent saying there is too little housing for older people who are looking to downsize or have special needs, including disabled veterans- which is up 8% since 2000.

According to the “Maryland Housing Needs Assessment and 10-Year Strategic Plan (Needs Assessment),” Maryland estimates that in 2030 more than half of all new households in Maryland will qualify as low-income. The expansion of property tax credits will assist those on every income level with meeting their housing needs.

For the above reasons, the REALTORS® recommend a favorable report.

**For more information contact [bill.castelli@mdrealtor.org](mailto:bill.castelli@mdrealtor.org),  
[susan.mitchell@mdrealtor.org](mailto:susan.mitchell@mdrealtor.org), [lisa.may@mdrealtor.org](mailto:lisa.may@mdrealtor.org) or  
[theresa.kuhns@mdrealtor.org](mailto:theresa.kuhns@mdrealtor.org)**

**HB1186-BT\_MACo\_SWA.pdf**

Uploaded by: Kevin Kinnally

Position: FWA



## House Bill 1186

### *Property Tax Credit – Elderly Individuals, Veterans, and Surviving Spouses – Alterations*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

**WITH AMENDMENTS**

Date: March 30, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS HB 1186 WITH AMENDMENTS**. As amended, the bill would alter eligibility criteria of an existing local option property tax credit for specified residents by extending the maximum duration of the credit from five to ten years and capping the maximum value of a dwelling eligible for the credit at \$650,000.

**MACo requests amendments to grant counties broad flexibility to enact this credit by eliminating caps on the duration and maximum value of the credit and other eligibility criteria.**

MACo generally supports legislation that provides broad authority to enact tax incentives for revitalization and tax relief purposes, and welcomes the opportunity to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives. Counties prefer the approach offered by this optional property tax credit, as it provides local autonomy to determine the best way to provide these incentives, rather than those that mandate reductions in local revenue sources.

Under current law, local governments may authorize a property tax credit for older individuals, veterans, and surviving spouses. The maximum duration of the credit is five years, and the credit is limited to 20 percent of the total property tax. By eliminating these caps, each jurisdiction that chooses to enact the credit could tailor it to their specific community needs. Additionally, it would give each county broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits enabled by the bill.

As amended, HB 1186 would ensure local governments have flexibility in enacting local policies designed to serve and react to community needs. Accordingly, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report for HB 1186.