

Introduced 09-05-2023  
Public Hearing 09-18-2023  
Council Action 10-02-2023  
Executive Action 10-05-2023  
Effective Date 12-05-2023

**County Council of Howard County, Maryland**

2023 Legislative Session

Legislative Day No. 10  
Sept 5, 2023

**Bill No. 37-2023**

Introduced by: Deb Jung and David Yungmann

AN ACT removing the prohibition on owners of multiple residential properties from receiving the property tax credit for seniors and retired military personnel; and generally relating to property tax credits.

Introduced and read first time Sept 5, 2023. Ordered posted and hearing scheduled.

By order Michelle Harrod  
Michelle Harrod, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on Sept 18, 2023.

By order Michelle Harrod  
Michelle Harrod, Administrator

This Bill was read the third time on Oct 2, 2023 and Passed , Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

By order Michelle Harrod  
Michelle Harrod, Administrator

Sealed with the County Seal and presented to the County Executive for approval this 3 day of October, 2023 at 2<sup>00</sup> a.m./p.m.

By order Michelle Harrod  
Michelle Harrod, Administrator

Approved by the County Executive October 5, 2023

Calvin Ball  
Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Section 1. Be It Enacted** by the County Council of Howard County, Maryland, that the Howard County  
2 Code is amended as follows:

3  
4 *By amending:*

5 *Title 20 - Taxes, Charges, And Fees*

6 *Subtitle 1. - Real Property Tax; Administration, Credits, And Enforcement*

7 *Part III. - State-Authorized Howard County Tax Credits*

8 *Sec. 20.129E. - Property tax credit for seniors and retired military personnel.*  
9  
10

11 **Title 20 - Taxes, Charges, And Fees**

12 **Subtitle 1. - Real Property Tax; Administration, Credits, And Enforcement**

13 **Part III. - State-Authorized Howard County Tax Credits**  
14

15 **Sec. 20.129E. Property tax credit for seniors and retired military personnel.**

16 (a) *Definitions.* In this section, the following terms have the meanings indicated:

17 (1) Uniformed services of the United States as defined in 10 U.S.C. § 101, the military  
18 reserves, or the National Guard.

19 (2) Dwelling has the meaning set forth in section 9-105 of the Tax-Property Article of the  
20 Annotated Code of Maryland.

21 (3) Eligible County Tax means the amount of County tax on the lesser of \$650,000.00 or the  
22 assessed value of the dwelling reduced by the amount of any assessment on which a  
23 property tax credit is granted under section 9-105 of the Tax-Property Article of the  
24 Annotated Code of Maryland.

25 (b) *Credit Established and Eligibility.* In accordance with section 9-258 of the Tax-Property  
26 Article of the Annotated Code of Maryland, the owner of a dwelling may receive a property tax  
27 credit against the County property tax imposed on the property containing the dwelling if the  
28 property is owned by an individual:

29 (1) Who is at least 65 years old and has lived in the same dwelling for the preceding number  
30 of years specified in subsection (c) of this section;

31 (2) Who is at least 65 years old and is a retired member of the Armed Forces of the United  
32 States; or

33 (3) A surviving spouse, who has not remarried, of an individual described in item (2) of this  
34 subsection.

35 (c) *Longevity Qualification.* The longevity qualification provided in subsection (b)(1) of this  
36 section is:

1 (1) Tax year 2022: at least 38 years; and

2 (2) Tax year 2023 and subsequent tax years: at least 30 years.

3 (d) *Amount of Credit.* An individual who meets the qualifications of subsection (b) of this section  
4 is eligible for a property tax credit equal to 20 percent of the eligible County tax.

5 (e) *Duration of Credit.* The credit may be granted for a period of up to eight years and as long as  
6 the property owner remains qualified under subsection (b) of this section.

7 (f) *Prohibition.* Notwithstanding subsection (b) of this section, A [[:

8 (1) A]] property owner who is granted a credit under this section may not be granted a credit  
9 under section 20-129 of this Code during the same fiscal year. [[:; and

10 (2) A property owner who owns more than one residential property may not be granted a  
11 credit under this section.]]

12 (g) (1) *Application.* To receive the tax credit, a property owner shall submit an initial application  
13 to the Department of Finance:

14 (i) On the form that the Department of Finance requires;

15 (ii) That demonstrates that the owner is entitled to the credit; and

16 (iii) On or before the date that the Department of Finance sets.

17 (2) The Department of Finance shall automatically renew the tax credit unless the property  
18 owner is no longer eligible.

19 (h) *Administration.* The Department of Finance may adopt guidelines, regulations, or procedures  
20 to administer this section.

21 (i) *Publicity.*

22 (1) The Director of Finance shall develop and carry out a plan to publicize the credit  
23 authorized by this section. The plan shall be designed to reach those taxpayers most likely  
24 to be eligible for the credit.

25 (2) The Office on Aging and Independence, or another appropriate unit of County  
26 Government that the County Executive selects, shall develop and carry out a plan to  
27 educate senior citizens about the credit authorized by this section.

28 (j) *Effective Date.* The tax credit authorized by subsection (b) of this section applies to tax years  
29 beginning after June 30, 2022.

30  
31 ***Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland that this Act***  
32 ***shall become effective 61 days after its enactment.***  
33

**Office of the County Auditor**  
**Auditor's Analysis**

**Council Bill No. 37-2023**

Introduced: September 5, 2023

Auditor: Lori Buchman

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Fiscal Impact:

The proposed legislation will not result in additional foregone revenue in Fiscal Year 2024 as the Chief Administrative Officer stated that the bill as written does not require the Department of Finance to accept applications retroactively.

Although there will be a fiscal impact in future years, it is indeterminable as it is dependent upon the unknown number of property owners in the County with multiple properties that will now become eligible for the Credit. For reference, the average Credit granted to 4,748 individuals during the application period for Fiscal Year 2024 was approximately \$925.

According to the Deputy Director of the Department of Finance (Finance), they have no method of determining the total number of homeowners that have been denied using the online application because of controls in place that prevent ineligible applicants from completing their form. However, Finance did confirm that 82 applicants that applied for the Credit using the paper application process were ineligible in FY 2024 due to the multiple home exclusion.

Purpose:

The proposed legislation seeks to remove the provision included in Council Bill 52-2022 that places a prohibition on owners of multiple residential properties from receiving the Aging-In-Place Property Tax Credit.

Other Comments:

As a result of Council Bill 52-2022, according to information provided by Finance, the expansion of the Aging-In-Place Tax Credit has resulted in an increase of approximately 2,250 eligible property owners in FY 2024. Thus far in Fiscal Year 2024, \$4.4 million of tax credits were granted, as compared to \$2.1 million in Fiscal Year 2023.



## HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

3430 Courthouse Drive ■ Ellicott City, Maryland 21043 ■ 410-313-2013 Voice/Relay

Calvin Ball  
Howard County Executive  
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www.howardcountymd.gov  
FAX 410-313-3051

September 14, 2023

Howard County Council  
George Howard Building  
3430 Court House Drive  
Ellicott City, MD 21043

Dear Council Chair Rigby and Councilmembers:

Our office has conducted a comprehensive review and forecast of the fiscal impact of the proposed CB37-2023 amendment to the current Aging in Place (AIP) Tax Credit. The current AIP tax credit was amended last year by the passing of CB52-2022 which extended the applicable duration from 5 to 8 years, while also reducing the residency requirement from 38 years to 30 years. The bill also increased the assessed value of the eligible property from \$500,000 to \$650,000.

Prior to the passing of CB52-2022, the total number of credits that were eligible for the program was under 2,500 and under \$2 million granted in total tax credits. However, with the passing of CB52, the total tax credits granted surpassed our projected total tax credits of \$3.8 million to more than \$4.5 million in Calendar Year 2023 (Fiscal Year 2024) with a total of more than 4,500 credits granted.

The proposed amendment that is the subject of our latest analysis will cost the County approximately \$76.5 million for the 8-year eligibility window, which is in excess of \$18.2 million more than anticipated with the current law, at an average of \$9.6 million annually compared to the current average of about \$7 million annually.

Furthermore, the increase in assessed value from \$500,000 to \$650,000 raised average tax credit per household from \$780 to approximately \$950. The average credit will continue to rise as the assessed values increase for those properties under the current threshold until all eligible properties hit the cap of \$650,000.

The exclusion clause of owners of multiple properties not being eligible for the AIP tax credit is of immense value to the County's residents as this provide some equity for those who are struggling and on fixed incomes, like most of our aging population. I strongly believe that if you have multiple homes, paying the full property tax is fair. The exclusion is also a huge buffer to the County's revenues because it mitigates the potential population of more than 8,000 from getting the credit.

As for the inclusion of retired military (veterans) in the amendment, this is a moot point as they are already included in the current law.

Without the exclusion, all property owners who have multiple homes (including business owners) will now be eligible and nothing will prohibit them from getting the credit, since the credit is now auto renew and the eligibility is simply living in their homes for 30 plus years and over the age of 65 or an eligible spouse.



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It is an admirable aspiration to provide tax credits to our residents. We already provide numerous credits and have expanded some as circumstances warranted. However, the proposed CB37-2023 amendment to the current Aging in Place (AIP) Tax Credit will have the opposite effect and create additional hardship for the County and its residents who we are working so hard to assist.

Thank you for your attention to these impacts as you consider CB37-2023, the proposed amendment to CB52-2022. With your partnership, we will continue to do what's best for all our residents, while also keeping our County the model for safety, emergency response, employee excellence, and sound financial management.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rafiu Ighile', written in a cursive style.

Rafiu Ighile

Director of Finance  
Howard County Department of Finance  
(410) 313-3217

Cc: Brandee Ganz, Chief Administrative Officer  
Jennifer Sager, Legislative Coordinator  
Patrick Pope, Assistant Chief Administrative Officer  
Craig Glendenning, County Auditor

## Aging in Place Tax Credit

Summary: Reviewed fiscal impact of extending AIP credit term maximum to 8 years, in comparison to current AIP legislation (CB-52 amendments and removing the exclusion) existing recipients. Assumptions: factoring in an estimated number of newly eligible residents annually (85% of eligible) to estimate the total County liability; analysis includes a 2% annual inflation and 3% estimated turnover. Under current guidelines, once a resident is eligible, they can receive the credit for up to 8 years. The review details the reduction to revenue based on comparison of the current AIP tax credit program and removing the exclusion clause.

### Summary of Scenarios (in millions)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	8 year total
CB52-2022 Legislation	\$ 3.8	\$ 7.2	\$ 7.8	\$ 7.0	\$ 7.4	\$ 7.8	\$ 8.3	\$ 8.9	\$ 8.4	\$ 58.3
Average - \$/Year										7.3
Proposed CB37 Legislation w/o Exclusion	\$ 8.0	\$ 8.8	\$ 8.0	\$ 8.8	\$ 9.6	\$ 10.3	\$ 11.2	\$ 11.7	\$ 12.3	\$ 76.5
Reduction to Revenue	(4.1)	(1.6)	(0.2)	(1.8)	(2.2)	(2.5)	(2.9)	(2.9)	(3.9)	(18.2)
Average - \$/year										9.6

\* Phase in to 30 years at FY 2024, no additional reduction in years

Payout	\$ 4.4
Potential credits	\$ 3.6

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on October 5, 2023.

Michelle Harrod  
Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on \_\_\_\_\_, 2023.

\_\_\_\_\_  
Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on \_\_\_\_\_, 2023.

\_\_\_\_\_  
Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on \_\_\_\_\_, 2023.

\_\_\_\_\_  
Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on \_\_\_\_\_, 2023.

\_\_\_\_\_  
Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on \_\_\_\_\_, 2023.

\_\_\_\_\_  
Michelle Harrod, Administrator to the County Council