

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 505  
Ways and Means

(Delegate Metzgar, *et al.*)

Budget and Taxation

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**Baltimore County - Property Tax - Credit for Seniors to Offset Property Tax  
Rate Increase**

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This bill authorizes Baltimore County to grant a property tax credit for the dwelling of an individual (1) who has resided in the dwelling for at least 30 consecutive years; (2) whose combined income does not exceed \$60,000; and (3) who is at least 65 years old. The amount of the property tax credit equals 100% of any increase in the county property tax rate exceeding \$1.10 (per \$100 of assessment). Baltimore County is authorized to establish (1) the duration of the property tax credit; (2) additional eligibility criteria for the property tax credit; (3) regulations and procedures for the application and uniform processing of requests for the property tax credit; and (4) any other provisions necessary to administer the property tax credit. **The bill takes effect June 1, 2020, and applies to taxable years beginning after June 30, 2020.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Baltimore County property tax revenues may decrease to the extent the property tax credit is granted, and the county imposes a property tax rate exceeding \$1.10 (per \$100 of assessment). Baltimore County expenditures are not significantly affected.

**Small Business Effect:** None.

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## Analysis

**Current Law:** The Baltimore County real property tax rate totals \$1.10 (per \$100 of assessment) in fiscal 2020. The county property tax rate has remained constant since fiscal 2007. Additional information on local property tax rates and revenues can be found in the *County Revenue Outlook* report. A copy of the report is available on the Department of Legislative Services [website](#).

**Local Fiscal Effect:** The bill caps the real property tax rate in Baltimore County for homeowners who have resided in the dwelling for at least 30 consecutive years, have a combined income that does not exceed \$60,000, and who are at least 65 years old. The property tax cap is set at \$1.10 (per \$100 of assessment), which represents the current property tax rate. As a result, Baltimore County property tax revenues may decrease in future years if the county decides to raise its local property tax rate. The amount of the revenue decrease will depend on the number of individuals age 65 and older who receive the property tax credit, the county property tax rate in excess of \$1.10 (per \$100 of assessment), and the taxable assessment of eligible properties.

According to the U.S. Census Bureau, approximately 16% of individuals in Baltimore County are age 65 and over. The mean earnings for households for residents who are age 65 and over is \$66,186. In addition, approximately 61% of housing units in Baltimore County are owner occupied, with the average residential property tax assessment totaling \$220,900 in fiscal 2020. Based on the average property tax assessment, each 1 cent increase in the county property tax rate results in an additional \$22 on the county property tax bill.

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## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Baltimore County; State Department of Assessments and Taxation; U.S. Census Bureau; Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2020  
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Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510