

**Department of Legislative Services**  
Maryland General Assembly  
2021 Session

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

House Bill 1180  
Ways and Means

(Delegate Hill)

Budget and Taxation

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**Property Tax Credit - Airport Noise Zones - Eligibility**

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This bill alters a local option property tax credit for owner-occupied residential real property located near Baltimore-Washington International Thurgood Marshall Airport (BWI Marshall Airport). **The bill takes effect June 1, 2021, and applies to taxable years beginning after June 30, 2021.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Anne Arundel County property tax revenues may decrease by approximately \$648,400 annually beginning in FY 2022. County expenditures are not directly affected.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary/Current Law:** Counties and municipalities are authorized to grant a property tax credit for owner-occupied residential real property situated entirely or in part within the 75 Loudness Day Night (LDN) noise contour as established by the airport noise zone surrounding the BWI Marshall Airport. The bill alters the property tax credit to include residential properties within the 65 LDN noise contour. A county or municipality may choose to provide the tax credit only within a smaller noise contour than the 65 LDN noise contour.

A local government is authorized to provide for (1) the amount and duration of the property tax credit and (2) any other provision necessary to carry out the property tax credit. The bill specifies that if a county or municipality provides the tax credit to property located outside the 75 LDN noise contour, the county or municipality may vary the amount of the credit based on where the property is situated within the airport noise zone.

**Local Fiscal Effect:** Anne Arundel County authorizes a 50% property tax credit for owner-occupied residential property that is located entirely or in part within the 75 LDN contour located within the BWI Marshall Airport noise zone. However, the county advises that there are no residential properties within the 75 LDN noise contour, and no property tax credits have been granted.

The bill expands the eligibility of the property tax credit to include residential properties located in the 65 LDN noise contour. As a result, Anne Arundel County property tax revenues may decrease by approximately \$648,400 annually beginning in fiscal 2022. The estimate is based on the following:

- 456 residential properties are located within the 65 LDN contour, as identified by the Anne Arundel County Office of Planning and Zoning;
- the fiscal 2021 county real property tax rate is \$0.934 per \$100 of assessment;
- the average taxable residential assessment is \$304,500 for fiscal 2020; and
- the average property tax credit is \$1,422.

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### Additional Information

**Prior Introductions:** None.

**Designated Cross File:** SB 849 (Senator Lam, *et al.*) - Budget and Taxation.

**Information Source(s):** Baltimore City; Anne Arundel County; Baltimore County; Maryland Department of Transportation; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2021  
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