

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1247

(Howard County Delegation)

Ways and Means

Budget and Taxation

Howard County - Property Tax - Credit for Seniors to Offset Property Tax Rate
Increase
Ho. Co. 10-22

This bill authorizes Howard 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 \$75,000; and (3) who is at least 65 years old. The amount of the property tax credit equals 100% of any increase in the property tax rate attributable to a county property tax rate that exceeds \$1.014 per \$100 of assessment. Howard 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, 2022, and applies to taxable years beginning after June 30, 2022.**

Fiscal Summary

State Effect: None.

Local Effect: Howard County property tax revenues may decrease to the extent the property tax credit is granted and the county government imposes a property tax rate exceeding \$1.014 (per \$100 of assessment). Howard County expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: Similar legislation was enacted in 2020 (Chapter 226) that authorized Baltimore County to grant a property tax credit for longtime residents. To be eligible for the property tax credit, the dwelling must be owned by 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.

Local Fiscal Effect: The property tax credit caps the Howard County real property tax rate for eligible longtime residents to \$1.014 (per \$100 of assessment), which represents the current general property tax rate. As a result, Howard County property tax revenues may decrease in future years if the county government decides to increase its local property tax rate. The amount of the revenue decrease will depend on the number of individuals age 65 and older who meet the other eligibility requirements, the local property tax rate in excess of \$1.014 (per \$100 of assessment), and the taxable assessment of eligible properties.

The real property tax rate in Howard County is \$1.014 per \$100 of assessment in fiscal 2022. The county also imposes a fire tax rate of \$0.236 per \$100 of assessment.

Howard County currently provides a 25% property tax credit for residents who are age 65 and over if certain income requirements are met. The county advises that approximately 1,000 residents receive this property tax credit.

Local Fiscal Reports

The Department of Legislative Services prepares several annual reports relating to local government finances, local tax rates, and demographic indicators.

- [Local Government Overview Report](#) summarizes local government demographic and financial information. The report includes a section on [county property tax rates](#) and the [combined county-municipal property tax rates](#) in each jurisdiction.
- [County Revenue Outlook Report](#) analyzes the annual revenue growth for major county taxes and includes information on local tax rates. The report includes a section on county property tax rates.

Demographic Indicators

According to the U.S. Census Bureau, approximately 14.7% of individuals in Howard County are age 65 and over. The [median household income](#) in Howard County is \$124,042. In addition, approximately 73.2% of housing units in the county are owner occupied, with the average residential property tax assessment of \$425,975 in fiscal 2021.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

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