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Health and Government
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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)

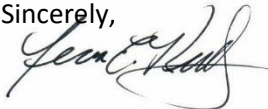
St. Mary's (For individuals at least 65 who have lived in the same dwelling for at least 40 years and individuals at least 65 who are retired members of the U.S. Armed Forces. Dwelling must not be assessed at more than \$400,000 and income may not exceed \$80,000.)

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