

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2024 Legislative Session

Reference No.: CB-007-2024

Draft No.: 1

Committee: GOFP

Date: March 14, 2024

Action: FAV

REPORT: Committee Vote: Favorable 5-0 (Council Members Watson, Harrison, Dernoga, Franklin, Oriadha)

The Prince George's County Council's Government Operations and Fiscal Policy Committee convened on March 14, 2024, to consider CB-007-2024.

CB 7 is an act concerning an elderly property tax credit, which revises the current elderly property tax credit to make its applicability exclusive, separate, and distinct from the Homestead and Maryland Homeowner's Property Tax Credits.

Committee staff provided an overview of the bill and background for the legislation, including comparisons to surrounding jurisdiction's qualification requirements, the duration of residence, income and or assessed value limits, and other requirements that could mitigate the fiscal impact. The bill, as drafted, will authorize individuals to receive the credit if they are at least 65 years old and have lived in their home for a minimum of ten years, and the home's assessed value is less than \$500,000. The projected cost is \$11,120,634.00 in tax credits granted annually. The maximum value shall increase annually on July 1 by the lesser of the Consumer Price Index (CPI) for the preceding calendar year or three percent (3%). The credit shall be granted each year for a period of up to five (5) years if the individual remains eligible for the credits.

The sponsor of the legislation, council member Burroughs, reminded the committee that CB-29-2022 passed unanimously, establishing a 20% reduction of property tax. A provision in CB-29 requires that the credit is inclusive of any homestead or homeowners tax credit provided which caused many residents not to benefit from the credit. CB 7 removes that requirement and will allow many more senior residents to qualify.

Public comments from 22 members of the community were heard, and over 100 attended. Everyone who testified expressed support for the tax credits enactment.

During the council members' discussion, proposals to change the eligibility from 10 years to 20 years, and changes to the qualifications to include income instead of assessed value were not accepted. Council Members expressed concern about the impact on the budget and a desire to keep the promise made when CB-29-2022 was enacted.

The County Executive's liaison reminded the committee that the executive was in support of CB-029-2022, the initial tax credit legislation. The liaison asked that the members reconsider the methodology for qualification for the credits used in this bill to avoid unintended consequences and decrease the fiscal impact. The administration does not feel that considering our budget deficit and the way that the legislation is drafted will provide the support that seniors expect. The County Executive took no position on the legislation as drafted.

The Government Operations and Fiscal Policy Committee reported CB-007-2024 out favorably, 5-0