

**ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET**

BILL NUMBER: 65-25

INTRO. DATE: July. 7, 2025

FISCAL NOTE

**BILL: AN ORDINANCE CONCERNING: FINANCE, TAXATION, AND BUDGET
 – REAL PROPERTY TAXES – HOMEOWNERS PROPERTY TAX
 CREDIT PROGRAM – TOTAL REAL PROPERTY TAX**

SUMMARY OF LEGISLATION

The purpose of this legislation is to increase the homeowners property tax credit local supplement assessed value cap from \$350,000 to \$400,000 so that more residents may qualify for the credit.

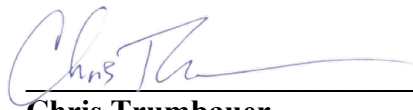
FISCAL IMPACT

The exact fiscal impact of this expansion of the Homeowners Tax Credit local supplement is dependent on the total number of applicants. Only residents who meet the income requirements are eligible for the credit.

An analysis of the July 1, 2024 tax billing data shows that currently there are approximately 69,000 owner-occupied properties with an assessed value of \$350,000 or less. By increasing the maximum assessed value to \$400,000, the number of potentially eligible properties rises to approximately 90,000.

Assuming all other factors remain constant, this change represents a 30.4% increase in the number of qualifying properties. Based on the Fiscal Year 2025 local supplement for the Homeowners Tax Credit, which totaled approximately \$1.5 million, a 30.4% increase would correspond to an estimated additional \$456,000 applied to the credit.

In general, property tax credits in this nature have no aggregate fiscal impact on County revenue due to the County's policy of setting the property tax rate in accordance with the property tax revenue cap. Therefore, the total amount of property tax collected by the County will not change, but the relative tax burden among all property tax payers will be adjusted to accommodate the increased credit.



Chris Trumbauer
Budget Officer

6/27/2025
Date

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cc: Billie Penley, Controller