



BILL NO.: HB 805  
TITLE: Property Tax – Homestead Credit for Seniors with Two Homes  
POSITION: **OPPOSE**  
DATE: March 4, 2010  
COMMITTEE: Ways and Means  
CONTACT: Andrea Mansfield

The Maryland Association of Counties (MACo) **OPPOSES** House Bill 805. This bill would extend the Homestead Property Tax Credit (Credit) to the second home of a homeowner who is at least 65 years old. The second home cannot be rented to or occupied by someone other than the homeowner, and the second home cannot be used for establishing residency to receive State, county, or municipal services.

The Credit is designed to give homeowner tax relief by capping the annual assessment amount for property tax purposes at 10%. Local governments have the authority to set the tax cap below the 10% level. To be eligible for the Credit, the homeowner must use the home or “dwelling” as the principal place of residence and occupy it for more than 6 months of a 12 month period. The intent of the Credit is to provide property tax relief for a primary residence, not a second home.

To ensure that the Credit was being applied for primary residences only, Ch.565 Acts of 2007 created an application process to establish a homeowner’s claim of a property as “owner occupied”. Before then, a substantial number of properties were receiving the Credit without qualifying under the law, such as rental properties or second homes.

HB 805 depresses the property tax base, by providing an inappropriate advantage to homeowners who can afford second homes. MACo believes this action is unfair to other taxpayers, whose responsibilities to pay for public services would only increase as a result. For these reasons, MACo **OPPOSES** HB 805 and requests that the Committee give it an **UNFAVORABLE** report.