



BILL NO.: Senate Bill 922

TITLE: Homestead Property Tax Credit for Housing Units at Independent Living Retirement Communities

POSITION: **OPPOSE**

DATE: March 23, 2010

COMMITTEE: Budget and Taxation

CONTACT: Andrea Mansfield

The Maryland Association of Counties (MACo) **OPPOSES** Senate Bill 922. This bill would extend the Homestead Property Tax Credit (Credit) currently applicable to owner-occupied dwellings, to apply to units of independent living retirement communities.

Currently, Maryland affords a number of property tax protections for owner-occupied dwellings, ensuring that homeowners not face dramatic swings in their tax burden, even if their property appreciates in value. The Credit, and assessment phase-ins, serves homeowners well in this way by limiting annual property assessment that is subject to property tax.

SB 922 would extend this sensible tax benefit protection for homeowners to commercial independent living retirement communities. Under SB 922, the tax benefit would not necessarily inure to the occupant (who is not the owner of record of the property being taxed), but instead to the commercial enterprise, either for-profit or non-profit, operating the facility. MACo believes this extension would be costly and inappropriate since the current tax benefit is intended for homeowners occupying their own homes.

SB 922 would extend the Credit beyond its intended scope, costing the State and counties substantial revenues. For this reason, MACo **OPPOSES** SB 922 and urges an **UNFAVORABLE** report.