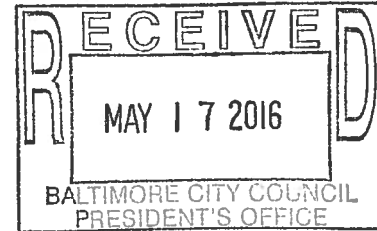




BALTIMORE HOUSING

STEPHANIE RAWLINGS-BLAKE
Mayor

PAUL T. GRAZIANO
Executive Director, HABC
Commissioner, HCD



MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Paul T. Graziano, Commissioner

Date: May 16, 2016

Re: **City Council Bill 16-0627 - Property Tax Credits – City Supplement to Homeowners' Tax Credit Program**

The Department of Housing and Community Development (HCD) has reviewed City Council Bill 16-0627, for the purpose of establishing a City supplement to the State Homeowners' Property Tax Credit Program; defining certain terms; imposing certain limitations, conditions, and qualifications for credit eligibility; and providing for the amount and administration of the credit.

If enacted, this bill would provide additional property tax relief for homeowners who qualify for the State Homeowners' Tax Credit Program, are over the age of 62, have lived in the home for at least 10 years and have a combined income of less than \$40,000.

The State Homeowners' Tax Credit program provides a tax credit for eligible homeowners with a gross household income of less than \$60,000. The additional savings from both of the tax credit programs could be a way to keep more people out of tax sale by providing additional revenue to pay taxes, water bills and maintain property. However, the fiscal impact of the implementation of a local tax credit program would have to be evaluated by the Department of Finance.

The 2016 legislative session passed legislation called the, "Eligibility Awareness Campaign – Homeowners' Property Tax Credit", which requires the State Department of Assessments and Taxation and the Comptroller's office to work together to notify families who are eligible for the State Homeowners Property Tax Credit but who have not used the credit in the past three years to let them know that they are eligible for the credit. As part of HCD's role in preventing home owners from the tax sale process, we will continue to help with outreach to encourage homeowners who are not taking advantage of the State Homeowners' Property Tax Credit to apply.

Defers to Finance



The Department of Housing and Community Development respectfully defers to the Department of Finance on the passage of City Council Bill 16-0627.

PTG:sd

cc: Ms. Angela Gibson, *Mayor's Office of Government Relations*
Mr. Colin Tarbert, *Deputy Mayor*