



Date: September 19, 2022

Subject: **CB52-2022**

Testimony in SUPPORT with Amendment

By Paul Verchinski, HCCA Board Member

To: Howard County Council

The proposed legislation builds on the flexibility provided to Maryland counties in Chapter 267, Acts of the General Assembly of 2022. More specifically, it will permanently lift the 5-year cap on the duration of the existing 5-year cap on the Aging in Place Tax Credit (AIP) for Older Adults who are long term residents in Howard County and increasing the eligible assessed value from \$500,000 to \$650,000.

We applaud Councilperson Deb Jung for introducing this legislation. I and others are no longer eligible for the AIP because our 5-year eligibility has expired.

Howard County has the highest property tax rate in Maryland. The 20% AIP tax credit permanent extension for the Howard County property tax will help many residents who are experiencing high inflation rates in goods and services. Average tax bills are approximately \$5,000 annually. Howard County has the second highest median assessed home value, and the highest median real estate taxes paid of any large Maryland county. Howard County taxes paid as a percent of home value is one third higher than Montgomery County.

A compelling rationale for permanent senior tax relief is contained in the fiscal note to recent legislation in Prince Georges County:

"The United States will be faced with a noticeable increase in the share of the population over the age of 65. Factors such as increasing life expectancy, and aging amongst the baby boom generation will contribute to this. Many elderly residents have a desire to age-in-place within their current residence or community. However, stagnant incomes, rising healthcare costs, and costs to modify homes to accommodate a resident as they get older create challenges to aging in place. Addressing these challenges will take both time and money, but the benefits of effectively aging-in-place are apparent. The costs associated {with} living in nursing homes is more than three times than noninstitutional long-term care services. Social isolation among seniors can also be lessened as it becomes easier for residents to maintain current relationships. Aging-in-place also allows residents to retain a level of independence that is normally not afforded when living in an institutionalized setting. Creating a property tax credit for elderly residents can help ease the challenges associated with aging in place and keep them within the communities they have lived in for decades."

We suggest that the following Amendment be considered in Sec. 20.129E(e) Duration of Credit; Change the word “may” to “shall” so that the legislation is affirmative.

The Howard County Citizens Association requests that all County Council members vote in favor of CB52-2022.

Paul Verchinski