



## Council Agenda Form

<b>MOTION #</b>	<b>DRAFT #</b>
<b>DATE SUBMITTED:</b> 2/3/2021	<b>DATE TO GO BEFORE COUNCIL:</b> LEAVE BLANK
<b>SUBMITTED BY:</b> D Schaible	
<b>DEPARTMENT:</b> Legislative	

**TITLE OF MOTION: FY22 Budget Initiative: Hyattsville Property Tax Credit Review and Assessment**

**RECOMMENDATION:**

I move that the Mayor and Council authorize expenditures of up to \$10,000.00 in the FY22 budget to provide for necessary legal review and technical support to formulate recommendations for revisions to existing Municipal Property Tax Credits, including revisions to Municipal tax credit programs authorized under Maryland Code, Tax-Property § 9-104 (“Homeowner’s Property Tax Credit”) and Maryland Code, Tax-Property § 9-105 (“Homestead Tax Credit”).

**BACKGROUND:**

In 2008, the Hyattsville City Council passed Ordinance 2008-07, which established the “Local Supplement to the State Homeowner’s Property Tax Credit”. This local tax credit, intended for low- and fixed- income homeowners, created a local tax credit valued at 15% of the State Homeowner’s Property Tax Credit for principal residences that have a maximum of \$350,000 in assessed value, if the household income is less than \$80,000 and the net worth of the household, excluding the principal residence, is less than \$200,000. In addition, this ordinance set the local Homestead Tax Credit percentage at 110%.

Housing affordability continues to be a hardship for many Hyattsville residents. While Ordinance 2008-07 was intended to reduce the property tax burden for low- and fixed-income homeowners, it is unclear how effective it has been. This proposed review will include revisiting Ordinance 2008-07 and providing necessary background and making recommendations regarding:

- How many Hyattsville residents currently receive the local Homeowner’s Property Tax Credit? How many Hyattsville residents are eligible for the benefit but fail to apply?
- Are the appraised value, income, and net worth requirements of the local Homeowner’s Property Tax Credit set at desired limits, and what would the municipal budget implications of changing these limits be?
- Should a lower percentage for the local Homestead Tax Credit be considered for low- and fixed-income Hyattsville residents, and what would the municipal budget implications of such an action be?

**ANTICIPATED STAFF RESOURCES REQUIRED TO IMPLEMENT:**

Hyattsville Treasurer Ron Brooks will be substantially involved in this effort and has agreed to help research this topic and collaborate with the Hyattsville City Council. Mr. Brooks’ efforts will include conducting research with the Maryland Department of Assessments and Taxation and the Maryland Office of the Comptroller, providing legal and technical review oversight for potential revisions to Ordinance 2008-07, and conducting bi-weekly meetings with interested City Council members to answer questions and provide progress updates.

**CITY ADMINISTRATOR / DEPARTMENT DIRECTOR COMMENT:** (must be approved by City Administrator):

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**Tracey Nicholson, City Administrator**

**STRATEGIC GOALS AND ACTIONS:**

**SUPPORTING DOCUMENTATION:**

- City of Hyattsville Ordinance 2008-07
- Maryland Tax – Property Section 9-104
- Maryland Tax – Property Section 9-105

**CURRENT YEAR BUDGET IMPACT:** FY22

DRAFT