

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 394

(Senator Conway)

Budget and Taxation

Ways and Means

Baltimore City – Property Tax Credit – School Public Safety Officers

This bill adds sworn law enforcement officers employed full time by the Baltimore City Public School System to those eligible for a specified Baltimore City property tax credit for public safety officers. **The bill takes effect June 1, 2018, and applies to taxable years beginning after June 30, 2018.**

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City property tax revenues decrease by approximately \$57,500 in FY 2019 and by over \$100,000 annually beginning in FY 2023. Baltimore City expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: Chapters 558 and 559 of 2016 authorize Baltimore City to grant, by law, a property tax credit for a dwelling owned by a Baltimore City public safety officer if the public safety officer is otherwise eligible for the Homestead Property Tax Credit. The amount of the property tax credit may not exceed \$2,500 per dwelling in any taxable year.

A public safety officer is defined as a firefighter, an emergency medical technician, or a law enforcement officer who is a sworn member of and employed full time by the (1) Baltimore City Fire Department; (2) Baltimore City Police Department; or (3) Baltimore City Sheriff's Office.

Background: In December 2017, the Mayor of Baltimore signed into law City Council Bill 17-0120 that granted the maximum \$2,500 property tax credit to eligible public safety officers. The tax credit takes effect July 1, 2018.

Local Fiscal Effect: Baltimore City property tax revenues decrease by approximately \$57,500 in fiscal 2019 and by over \$100,000 annually beginning in fiscal 2023. The estimate is based on the following:

- there are currently 93 Baltimore City Public School Safety Officers employed by the Baltimore City Public School System;
- 39% of officers currently live within the city;
- homeownership rate averages 63% for these officers;
- approximately 20 officers will purchase a home in Baltimore City over the next four years;
- the average taxable value for residential property in Baltimore City is \$159,000; and
- eligible officers receive the maximum \$2,500 property tax credit.

Additional Information

Prior Introductions: None.

Cross File: HB 117 (Delegate Glenn, *et al.*) - Ways and Means., HB 117 (Delegate Glenn, *et al.*) - Ways and Means.

Information Source(s): Baltimore City; Department of Legislative Services

Fiscal Note History: First Reader - January 30, 2018
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