



Senate Bill 6

Property Tax - Credit for Dwelling House of Disabled Veterans - Alterations

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

WITH AMENDMENTS

Date: January 18, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 6 WITH AMENDMENTS**. MACo contends that any state legislation to expand eligibility for existing local-option tax credits, like this bill, should be subject to the discretion of the local governing body.

As introduced, SB 6 expands eligibility for a property tax credit many local jurisdictions have already adopted. Without clarifying language that this expansion is itself subject to a local option, expanding the breadth of the existing credit may result in a more considerable fiscal loss than counties anticipated when originally enacting the credit.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities.

Local-option property tax credits allow counties to enact credits tailored to their specific community needs. Additionally, they give each jurisdiction broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits an optional credit enables.

Counties welcome the opportunity to work with state policymakers to develop flexible and optional tools to implement comprehensive or targeted tax incentives but resist state-mandated changes that preclude local input.

Accordingly, MACo urges the Committee to issue SB 6 a report of **FAVORABLE, WITH AMENDMENTS**, to grant counties proper flexibility to determine whether expanding an existing local-option property tax credit is in their best interest.