

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 867

(Senators Middleton and Neall)

Budget and Taxation

Ways and Means

Property Tax Credit - Surviving Spouse of Fire, Rescue, or Emergency Medical Service Personnel

This bill authorizes a local government to grant a real property tax credit on certain dwellings that are owned by a surviving spouse of a fallen rescue worker.

The bill is effective July 1, 2002.

Fiscal Summary

State Effect: None. This bill does not provide a State property tax credit.

Local Effect: Potential minimal decrease in property tax revenue.

Small Business Effect: None.

Analysis

Bill Summary: The bill provides the authority for local governments to grant a property tax credit for the dwelling of a surviving spouse of a fallen rescue worker who has not remarried. The dwelling must be the surviving spouse's legal residence and not be occupied by more than two families. A fallen rescue worker means an individual who dies while in active service of a fire, rescue, or emergency medical service, unless the death was a result of the individual's willful misconduct or abuse of alcohol or drugs.

In order for the dwelling to qualify for the credit, it must have been: (1) owned by the fallen rescue worker at the time of death; (2) purchased by the surviving spouse within two years of the fallen rescue worker's death as long as the worker or the spouse were

domiciled in Maryland at the time of death; or (3) acquired after the surviving spouse qualified for the exemption for a former house, to the extent of the previous exemption.

Current Law: Generally, all real property is subject to State, county, and municipal property taxes. There is no credit for the surviving spouse of a fallen rescue worker.

Background: Chapter 531 of 2001 provided a real property tax exemption for the surviving spouse of an individual who died in the line of duty while in the active military, naval, or air service of the United States.

According to the Maryland Institute for Emergency Medical Services Systems, there are 29,719 emergency medical service workers in Maryland. According to the State Fire Marshall there are 35,000 career and volunteer firefighters in Maryland. Between 1981 and 2000, 53 firefighters lost their lives while on duty.

Local Revenues: Local government property tax revenue could decrease depending on the number of jurisdictions that provide the credit and the extent of the credits provided. It is expected that any such revenue loss would be minimal. For illustrative purposes, if all 53 of the fallen firefighters were married at the time of their deaths and all the surviving spouses were eligible for a 100% property tax credit, the combined local government property tax revenue loss could be \$85,000 annually. This estimate is based upon the median home value of \$145,000 and an average local property tax rate of \$1.10. The actual revenue loss would depend on the number of surviving spouses that apply for the credit, the assessed value of the homes, and the applicable tax rates in the counties or municipalities.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Assessments and Taxation, Prince George's County, Garrett County, Department of Legislative Services

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