

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 595

(Senator Schrader, *et al.*)

Budget and Taxation

Ways and Means

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**Property Tax Credit - Surviving Spouse of a Law Enforcement Officer**

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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 law enforcement officer.

The bill is effective June 1, 2003 and applicable to tax years beginning after June 30, 2003.

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**Fiscal Summary**

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

**Local Effect:** Potential minimal decrease in property tax revenues.

**Small Business Effect:** None.

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**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 law enforcement officer 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 law enforcement officer means an individual who dies as a result of or in the course of employment as a law enforcement officer.

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

spouse was 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 law enforcement officer.

**Background:** Chapter 486 of 2002 provided authority for a local government to grant a real property tax credit on dwellings that are owned by a surviving spouse of a fallen rescue worker. Chapter 531 of 2001 provided a real property tax exemption for the surviving spouse of an individual who dies in the line of duty while in the active military, naval, or air service of the United States.

According to the Fraternal Order of Police – Maryland Chapter, since 1995, 26 State and local police officers in Maryland have been killed in the line of duty.

**Local Revenues:** Local government property tax revenues 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 26 of the fallen police officers 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 \$54,720 annually. This estimate is based upon the median home value of \$183,000 and an average local property tax rate of \$1.15. 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.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** HB 731 (Delegate Bates, *et al.*) – Way and Means.

**Information Source(s):** Department of Assessments and Taxation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2003  
mdf/jr Revised - Enrolled Bill - April 10, 2003

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