

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1229
Ways and Means

(Delegate Impallaria, *et al.*)

Property Tax Credit - Dwellings Owned by Disabled or Injured Police Officers,
Firefighters, and Correctional Officers

This bill authorizes Baltimore City and county and municipal governments to grant, by law, a property tax credit of up to 30% of the property tax imposed on a dwelling owned by a retired and disabled or injured police officer, firefighter, or correctional officer if the individual's retirement was due to a disability or injury that arose of and in the course of employment.

The bill takes effect June 1, 2005 and applies to all taxable years beginning after June 30, 2005.

Fiscal Summary

State Effect: None.

Local Effect: The extent of any local government revenue loss would depend on the number of counties and municipal corporations granting the credit, the number of disabled or injured police officers, firefighters, and correctional officers living in the jurisdiction and who also own a home.

Small Business Effect: None.

Analysis

Current Law: Baltimore City and county and municipal governments are not authorized to grant property tax credits for disabled or injured police officers, firefighters, or correctional officers.

Background: Chapters 103 and 104 of 2003 authorized local governments to grant a real property tax credit on certain dwellings that are owned by a surviving spouse of a fallen law enforcement officer. 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 U.S.

Currently, Baltimore City and Anne Arundel, Baltimore, Carroll, Cecil, Frederick, Harford, Howard, Montgomery, and Prince George's counties are the only jurisdictions in the State to have enacted a property tax credit for the property owned by the surviving spouses of law enforcement or rescue workers since the enactment of the authorizing legislation. Charles County has enacted legislation for fallen rescue workers only.

Local Fiscal Effect: The extent of any local government revenue loss would depend on the number of counties and municipal corporations granting the credit, the number of disabled or injured police officers, firefighters, and correctional officers living in the jurisdiction and who also own a home.

Exhibit 1 shows the estimated effect on local government revenues for each individual disabled or injured police officer, firefighter, or correctional officer who could qualify for the credit in each county, based on current assessable base estimates and current county property tax rates.

Exhibit 1
Potential Effect on County Property Tax Revenue per Individual Granted a Tax Credit

<u>County</u>	<u>Average Assessment</u>	<u>Tax Rate</u>	<u>Average Tax Bill</u>	<u>30% Credit</u>
Allegany	\$67,025	\$1.0007	\$671	(\$201)
Anne Arundel	212,012	0.941	1,995	(599)
Baltimore City	77,433	2.328	1,803	(541)
Baltimore	151,030	1.115	1,684	(505)
Calvert	195,948	0.892	1,748	(524)
Caroline	111,300	0.952	1,060	(318)
Carroll	187,536	1.048	1,965	(590)
Cecil	145,600	0.98	1,427	(428)
Charles	171,385	1.026	1,758	(528)
Dorchester	102,059	0.93	949	(285)
Frederick	182,725	1.00	1,827	(548)
Garrett	88,273	1.036	915	(274)
Harford	162,317	1.092	1,773	(532)
Howard	247,824	1.1695	2,898	(869)
Kent	146,812	1.012	1,486	(446)
Montgomery	292,980	1.009	2,956	(887)
Prince George's	158,345	1.319	2,089	(627)
Queen Anne's	222,411	0.926	2,060	(618)
St. Mary's	165,015	0.878	1,449	(435)
Somerset	72,033	1.01	728	(218)
Talbot	262,092	0.54	1,415	(425)
Washington	125,023	0.948	1,185	(356)
Wicomico	109,590	1.025	1,123	(337)
Worcester	158,300	0.73	1,156	(347)

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Department of Assessments and Taxation, Property Tax Assessment Appeals Board, Wicomico County, Allegany County, Montgomery County, Prince George's County, Baltimore City, Department of Legislative Services

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