

**Department of Legislative Services**  
Maryland General Assembly  
2010 Session

**FISCAL AND POLICY NOTE**

House Bill 7 (Delegate Valderrama)  
Ways and Means

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**Property Tax Credit - Security Guard Disabled or Killed in Line of Duty**

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This bill authorizes local governments to grant a property tax credit for a dwelling owned by a disabled security guard or a surviving spouse of a security guard by expanding the eligibility criteria for an existing property tax credit. A security guard is defined as an individual who provides security guard services to any person on behalf of a security guard agency licensed in the State.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** The extent of any revenue loss depends on the number of counties and municipal corporations granting the credit and the number of disabled security guards or surviving spouses of security guards living in the jurisdiction who own a home. The potential decrease in local property tax revenues may be significant.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Local governments are authorized to grant a property tax credit for a dwelling owned by (1) a disabled law enforcement officer or rescue worker; or (2) a surviving spouse of a fallen law enforcement officer or rescue worker, provided specified conditions are met.

**Background:** 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. 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.

Chapters 103/104 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. 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.

Chapters 585 and 586 of 2008 expanded the eligibility criteria for the existing property tax credit to include dwellings owned by a disabled law enforcement officer or rescue worker.

Currently, 14 jurisdictions (Baltimore City and Anne Arundel, Baltimore, Carroll, Cecil, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, St. Mary's, and Washington counties) have enacted some form of property tax credit as authorized under Section 9-210 of the Tax-Property Article since the enactment of the authorizing legislation. Specifically, Anne Arundel, Baltimore, Howard, and Queen Anne's counties grant a property tax credit to the surviving spouse of a deceased law enforcement officer or a rescue worker, as well as to disabled law enforcement officers and rescue workers. Baltimore City and Carroll, Frederick, Harford, Montgomery, Prince George's, and Washington counties grant a property tax credit to the surviving spouse of a deceased law enforcement officer or rescue worker. Cecil County provides a tax credit to the surviving spouse of a deceased law enforcement officer, while Charles and St. Mary's counties grant a tax credit to the surviving spouse of a deceased rescue worker.

**Local Fiscal Effect:** The extent of any local government revenue loss depends on the number of counties and municipal corporations granting the credit and the number of disabled security guards or surviving spouses of a security guard living in the jurisdiction who own a home.

Security guards and security guard agencies are licensed by the Maryland State Police (MSP). Data from MSP indicates that, as of January 2010, there are approximately 700 security guard agencies and 26,823 certified security guards in the State. However, no data is available as the number of security guards who may have been either disabled or killed in the line of duty.

**Exhibit 1** illustrates the estimated effect on local government revenues for each disabled security guard or surviving spouse of a security guard who qualifies for the credit in each county, based on owner occupied properties, assessable base estimates for fiscal 2011, and current county property tax rates.

**Exhibit 1**  
**Potential Effect on County Property Tax Revenue**  
**For Each Individual Granted a 100% Tax Credit**  
**Fiscal 2011**

<u>County</u>	<u>Average Assessment</u>	<u>Tax Rate</u>	<u>Average Tax Bill</u>	<u>100% Credit</u>
Allegany	\$110,394	\$0.983	\$1,085	(\$1,085)
Anne Arundel	388,692	0.876	3,405	(3,405)
Baltimore City	160,479	2.268	3,640	(3,640)
Baltimore	281,919	1.100	3,101	(3,101)
Calvert	376,552	0.892	3,359	(3,359)
Caroline	230,242	0.870	2,003	(2,003)
Carroll	329,221	1.048	3,450	(3,450)
Cecil	265,084	0.940	2,492	(2,492)
Charles	308,207	1.026	3,162	(3,162)
Dorchester	208,354	0.896	1,867	(1,867)
Frederick	318,627	1.064	3,390	(3,390)
Garrett	156,863	0.990	1,553	(1,553)
Harford	293,754	1.064	3,126	(3,126)
Howard	441,888	1.150	5,080	(5,080)
Kent	299,098	0.972	2,907	(2,907)
Montgomery	493,800	0.916	4,523	(4,523)
Prince George's	320,198	1.319	4,223	(4,223)
Queen Anne's	408,460	0.770	3,145	(3,145)
St. Mary's	327,205	0.857	2,804	(2,804)
Somerset	149,012	0.900	1,341	(1,341)
Talbot	512,702	0.432	2,215	(2,215)
Washington	226,913	0.948	2,151	(2,151)
Wicomico	189,456	0.759	1,438	(1,438)
Worcester	271,601	0.700	1,901	(1,901)

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Department of Assessments and Taxation; Department of Labor, Licensing, and Regulation; Maryland State Police; Baltimore, Charles, Montgomery, and Somerset counties; Cities of Frederick and Havre de Grace; Department of Legislative Services

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