

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 285
Ways and Means

(Delegate D. Jones)

Budget and Taxation

Property Tax Credit - Disabled Law Enforcement Officers and Rescue Workers -
Federal Police and Criminal Investigators

This bill expands eligibility for a local property tax credit for a dwelling owned by a disabled law enforcement officer or rescue worker to include a job series 0083 police officer or detective and a job series 1811 criminal investigator for a federal government agency. In addition, the bill expands eligibility for the property tax credit to include a disabled law enforcement officer or rescue worker or surviving spouse or cohabitant who was domiciled in the State any time within five years prior to the disabled law enforcement officer or rescue worker becoming disabled or dying. **The bill takes effect June 1, 2022, and applies to taxable years beginning after June 30, 2022.**

Fiscal Summary

State Effect: None.

Local Effect: Local property tax revenues may decrease beginning in FY 2023 to the extent the property tax credit is authorized and additional taxpayers become eligible for the property tax credit. The amount of the decrease depends on the number of eligible taxpayers and the assessed value of each residential property that is eligible for the property tax credit. Local expenditures are not affected.

Small Business Effect: None.

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; (2) a surviving spouse of a fallen law enforcement officer or rescue worker; or (3) a cohabitant, provided specified conditions are met. To be eligible for the property tax credit, the dwelling must

have been acquired by the disabled law enforcement officer or rescue worker within 10 years of the date the disabled law enforcement officer or rescue worker was adjudged to be permanently and totally disabled or by the surviving spouse or cohabitant within 10 years of the fallen law enforcement officer's or rescue worker's death.

Local Fiscal Effect: Local property tax revenues may decrease to the extent the property tax credit is authorized and additional taxpayers become eligible for the property tax credit. The amount of the decrease depends on the number of eligible taxpayers and the assessed value of each residential property that is eligible for the property tax credit, neither of which can be reliably estimated at this time. Information on the type of positions classified as a federal criminal investigator or a federal police/detective is provided below. As a point of reference, **Exhibit 1** shows the effect of one additional taxpayer claiming the property tax credit in each county, based on current assessment information and property tax rates.

Exhibit 1
Effect of One Property Tax Credit on County Revenues
Fiscal 2023

<u>County</u>	<u>Property Tax Rate</u>	<u>Average Taxable Assessment</u>	<u>Revenue Decrease</u>
Allegany	\$0.975	\$73,554	(\$717)
Anne Arundel	0.933	325,100	(3,033)
Baltimore City	2.248	117,604	(2,644)
Baltimore	1.100	233,351	(2,567)
Calvert	0.927	286,133	(2,652)
Caroline	0.980	154,937	(1,518)
Carroll	1.018	294,422	(2,997)
Cecil	1.028	192,184	(1,975)
Charles	1.205	259,212	(3,124)
Dorchester	1.000	115,217	(1,152)
Frederick	1.060	290,642	(3,081)
Garrett	1.056	151,301	(1,598)
Harford	1.028	257,319	(2,645)
Howard	1.250	425,975	(5,325)
Kent	1.012	211,095	(2,136)
Montgomery	0.991	484,380	(4,798)
Prince George's	1.374	239,506	(3,291)
Queen Anne's	0.847	327,704	(2,776)
St. Mary's	0.848	245,927	(2,085)
Somerset	1.000	72,835	(728)
Talbot	0.657	339,999	(2,232)
Washington	0.948	172,883	(1,639)
Wicomico	0.920	119,154	(1,096)
Worcester	0.845	222,972	(1,884)

Source: State Department of Assessments and Taxation; Department of Legislative Services

Prince George's County advises that it provides a property tax credit to the surviving spouses or partners of law enforcement officers who have fallen in the line of duty. In fiscal 2021, the county provided 6 credits totaling \$15,200 (average credit was \$2,500). In fiscal 2022, the county provided 5 credits totaling \$13,800 (average credit \$2,750).

Federal Criminal Investigator

According to the Federal Office of Personnel Management (OPM) job classification handbook, the 1811 series covers positions that supervise, lead, or perform work involving planning, conducting, or managing investigations related to alleged or suspected criminal violations of federal laws, which includes:

- recognizing, developing, and presenting evidence to reconstruct events, sequences, time elements, relationships, responsibilities, legal liabilities, and conflicts of interest;
- conducting investigations in a manner meeting legal and procedural requirements; and
- providing advice and assistance both in and out of court to the U.S. Attorney's Office during investigations and prosecutions.

Work in this series primarily requires knowledge of criminal investigative techniques, rules of criminal procedures, laws, and precedent court decisions concerning the admissibility of evidence, constitutional rights, search and seizure, and related issues in the conduct of investigations.

Many federal agencies, including the Department of Justice, the Department of Homeland Security, the Department of the Interior, the Department of Veterans Affairs, and the Library of Congress, have job series 1811 criminal investigators.

Federal Police Officer or Detective

The OPM job classification handbook indicates that the 0083 job series includes positions whose primary duties are:

- the performance or supervision of law enforcement work in the preservation of the peace;
- the prevention, detection, and investigation of crimes;
- the arrest or apprehension of violators; and
- the provision of assistance to citizens in emergency situations, including the protection of civil rights.

The purpose of police work is to assure compliance with federal, state, county, and municipal laws and ordinances, and agency rules and regulations pertaining to law enforcement work.

Additional Information

Prior Introductions: A similar bill was introduced as HB 386 of 2021. The bill received a hearing in the House Ways and Means Committee, but no further action was taken.

Designated Cross File: SB 983 (Senator Klausmeier) - Budget and Taxation.

Information Source(s): Caroline and Prince George's counties; Maryland Association of Counties; Maryland Municipal League; Comptroller's Office; State Department of Assessments and Taxation; Federal Office of Personnel Management, Department of Legislative Services

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