

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 521

(Charles County Senators)

Budget and Taxation

Ways and Means

Charles County - Property Tax - Credit for Volunteer Emergency Responders

This bill authorizes Charles County to grant a property tax credit for real property owned and occupied as the principal residence of an emergency responder or an unmarried surviving spouse of a deceased emergency responder if the federal adjusted gross income of the emergency responder or the unmarried surviving spouse for the immediately preceding taxable year is \$150,000 or less. An emergency responder is an individual who is an active or retired volunteer member of a fire, rescue, or emergency medical services company in Charles County. Charles County may provide for (1) the amount and duration of the tax credit; (2) additional eligibility criteria for the credit; and (3) any other provision necessary to implement the credit. **The bill takes effect June 1, 2023, and applies to taxable years beginning after June 30, 2023.**

Fiscal Summary

State Effect: None.

Local Effect: Charles County property tax revenues decrease by \$347,300 in FY 2024 and by \$375,900 in FY 2028 to the extent the property tax credit is granted. County expenditures increase by \$115,900 in FY 2024 and by \$130,400 in FY 2028 to the extent the property tax credit is granted.

Small Business Effect: None.

Analysis

Current Law: Chapter 686 of 2017 authorized county and municipal governments to grant a property tax credit for dwellings owned by specified public safety officers.

Chapter 654 of 2018 altered the calculation of the property tax credit by specifying that the tax credit may not exceed the lesser of \$2,500 or the amount of property tax imposed on the dwelling. Chapters 239 and 240 of 2019 altered the eligibility criteria for the property tax credit by adding volunteer emergency medical technicians to the definition of public safety officers that are eligible recipients of the property tax credit.

Local Revenues: Charles County property tax revenues decrease by \$347,300 in fiscal 2024 and by \$375,900 in fiscal 2028 to the extent the property tax credit is granted. The estimate is based on the following:

- approximately 1,200 eligible emergency responders in the county;
- 75% of emergency responders live within the county;
- 76.9% of emergency responders are homeowners; and
- Charles County grants a \$500 property tax credit.

Future year estimates reflect a 2% annual increase in the number of property tax credit recipients.

Local Expenditures: Charles County expenditures may increase by \$115,900 in fiscal 2024 to the extent the property tax credit is granted. This represents the cost to hire one additional staff person in the County Treasurer's Office to administer the property tax credit. Future year expenditures are expected to total \$130,400 by fiscal 2028, which reflects a 3% annual increase in operating costs.

Additional Information

Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1416 of 2022.

Designated Cross File: HB 947 (Charles County Delegation) - Ways and Means.

Information Source(s): Charles County; State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History:
km/hlb

First Reader - February 19, 2023

Third Reader - March 20, 2023

Enrolled - May 4, 2023

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