

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 502

(Senator Corderman, *et al.*)

Budget and Taxation

Ways and Means

Property Tax - Credit for Law Enforcement Officer or Rescue Worker -
Expansion to Judicial Officer

This bill expands the local option property tax credit for disabled or fallen law enforcement officers or rescue workers by extending eligibility to correctional and judicial officers. Local governments are required to define for purposes of the property tax credit the public safety and judicial officers who are eligible to receive the property tax credit. Under the bill, a public safety officer includes a correctional officer, a law enforcement officer, or a member of a fire, rescue, or emergency medical service. **The bill takes effect June 1, 2025, and applies retroactively to taxable years beginning after June 30, 2022.**

Fiscal Summary

State Effect: None.

Local Effect: Local property tax revenues may decrease beginning in FY 2026 to the extent that local jurisdictions grant the property tax credit and the changes to existing eligibility requirements result in additional individuals becoming 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.

Chapters 533 and 534 of 2023 require a local government to determine the definition of a disabled law enforcement officer or rescue worker for purposes of receiving a local property tax credit. In addition, Chapters 533 and 534 expand 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 at any time within five years prior to the disabled law enforcement officer or rescue worker becoming disabled or dying.

Local Fiscal Effect: Local property tax revenues may decrease beginning in fiscal 2026 to the extent that local jurisdictions grant the property tax credit and the changes to existing eligibility requirements result in additional individuals becoming 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. As a point of reference, there are approximately 700 judicial officers and over 4,750 correctional officers working in the State.

At present, Baltimore City and the following 14 counties have authorized the property tax credit – Anne Arundel, Baltimore, Calvert, Carroll, Cecil, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, St. Mary's, and Wicomico.

As shown in **Exhibit 1**, over 100 individuals received the property tax credit in fiscal 2024, with most of these individuals residing in Baltimore and Queen Anne's counties. In total, around \$420,000 in property tax credits were provided in fiscal 2024. Information for Calvert and Carroll counties is not currently available.

Additional information on local property tax credits and exemptions is provided in the [*Guide to Local Government Taxing Authority*](#). Information on local property tax rates and revenues can be found in the [*County Revenue Outlook Report*](#). A copy of both reports is available on the Department of Legislative Services [website](#).

Exhibit 1
Jurisdictions Authorizing Property Tax Credit
Fiscal 2024

<u>County</u>	<u>Tax Credit Recipients</u>	<u>Tax Credit Amount</u>
Anne Arundel	6	\$15,782
Baltimore City	2	8,090
Baltimore	62	179,029
Calvert	n/a	n/a
Carroll	n/a	n/a
Cecil	0	0
Charles	2	6,993
Frederick	3	12,454
Harford	0	0
Howard	10	44,229
Montgomery	6	28,402
Prince George's	5	15,277
Queen Anne's	32	109,756
St. Mary's	0	0
Wicomico	0	0
Total	128	\$420,012

n/a: not available

Source: Department of Legislative Services

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1200 (Delegate Valentine, *et al.*) - Ways and Means.

Information Source(s): Kent, Montgomery, Washington, and Worcester counties; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2025
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