

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 719

(Senator Carozza)

Budget and Taxation

Ways and Means

Somerset County - Property Tax - Emergency Services Tax

This bill authorizes Somerset County to impose, by law, an annual property tax on all property subject to the county property tax to pay all or part of the costs of emergency services in the county, including fire, rescue, and emergency medical services. **The bill takes effect June 1, 2025, and applies to taxable years beginning after June 30, 2025.**

Fiscal Summary

State Effect: None.

Local Effect: Potential increase in Somerset County revenues depending on the special property tax rate imposed by the county commissioners. County expenditures are not directly affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill provides that the emergency services tax must be collected in the same manner as other county taxes are collected. If a property owner fails to pay the emergency services tax when due and payable, the unpaid tax must (1) be a lien on all property belonging to the person required to make payment and (2) accrue interest and penalties at the same rate and in the same manner as the accrual of interest and penalties for unpaid county property taxes. The bill specifies that property may be sold in accordance with collection provisions of the Tax – Property Article to enforce the emergency services tax.

The county commissioners may not enact a law to initially impose or subsequently increase an emergency services tax until after a public hearing is held on the proposed law at the same time as the county's annual budget hearing. The county must provide the public with advance notice of the hearing.

Current Law: Several county governments in Maryland have been granted the statutory authority to impose a separate property tax rate for fire, rescue, and emergency medical services. In most cases, the special property tax rates apply countywide; however, in some cases these rates vary by district. Three counties (Charles, Howard, and Montgomery) impose a [special property tax rate](#) that encompasses the entire county. In contrast, St. Mary's County imposes various rates by election district for both fire and rescue services, while imposing a countywide rate for support services. While Frederick and Garrett counties are authorized to impose a special property tax; fire, rescue, and emergency medical services are currently funded through the county general property tax rate. Additional information on the authority to impose special property tax rates is provided in the [Guide to Local Government Taxing Authority](#). A copy of the report is available on the Department of Legislative Services [website](#).

Local Fiscal Effect: Somerset County government spent \$1.6 million in fiscal 2023 for fire and ambulance services and an additional \$1.6 million for 9-1-1 communication services. In addition, the two municipal governments in the county provided nearly \$0.5 million in funding for fire and rescue services as shown in **Exhibit 1**. The City of Crisfield provided \$438,104 in total funding for fire and rescue services, of which \$378,000 went to grants for volunteer fire-rescue companies, while the Town of Princess Anne provided \$25,000, which also went to grants for volunteer companies.

Somerset County currently imposes a \$1.00 real property tax rate (per \$100 of assessed value) and a \$2.50 personal property tax rate. As shown in the [County Revenue Outlook Report](#), the county government is projected to collect approximately \$21.0 million in property tax revenue in fiscal 2025. Based on the current property tax base, Somerset County could generate approximately \$170,000 for each 1 cent increase on the real property tax rate and \$16,825 for each 1 cent increase on the personal property tax rate.

Under the bill, the Somerset County Commissioners are authorized to impose a countywide special property tax on all property subject to the county property tax rate that could be used to pay for all or part of the cost to provide emergency services in the county, including fire, rescue, and emergency medical services. The actual impact on county revenues will depend on the special property tax rate imposed by the county commissioners.

Exhibit 1
Local Funding for Fire-Rescue Services in Somerset County
Fiscal 2023

Somerset County Government

Fire and Ambulance Services	\$1,635,534
911 Communication Services	1,579,113
Total	\$3,214,647

Crisfield City Government

Fire-Rescue Services – Municipal Operated	\$60,104
Volunteer Fire-Rescue Services – Municipal Grants	378,000
Total	\$438,104

Princess Anne Town Government

Fire-Rescue Services – Municipal Operated	\$0
Volunteer Fire-Rescue Services – Municipal Grants	25,000
Total	\$25,000

Source: Local Government Finances Report, Department of Legislative Services

Additional Information

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

Designated Cross File: HB 791 (Delegate Otto, *et al.*) - Ways and Means.

Information Source(s): Somerset County; Judiciary (Administrative Office of the Courts); State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2025
js/hlb Third Reader - February 28, 2025

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