

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 328  
(Senator Folden)  
Budget and Taxation

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**Property Tax Credit - Disabled or Fallen Public Safety Officer - Alterations**

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This bill makes changes to the local option property tax credit for disabled or fallen public safety officer by expanding eligibility to disabled public safety officers who have died regardless of the cause of death. Under current law, these individuals must have died as a result of employment as a law enforcement or correctional officer or while in active service of a fire, rescue, or emergency medical service. **The bill takes effect June 1, 2026, and applies to taxable years beginning after June 30, 2026.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Local property tax revenues may decrease beginning in FY 2027 to the extent that local jurisdictions grant the property tax credit and 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.

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**Analysis**

**Bill Summary:** The bill alters the definition of fallen public safety officer to include a disabled public safety officer who dies regardless of the cause of death. Local governments, however, are authorized to limit eligibility for the property tax credit to the existing criteria established under current law. The bill also allows, under specified circumstances, the amount of the credit for a newly purchased dwelling owned by a disabled public safety officer or the surviving spouse or cohabitant to be in the same proportion as the property tax credit initially granted for a previous dwelling. In addition, the bill removes the requirement that the dwelling must have been acquired within a certain number of years.

**Current Law:** Local governments are authorized to grant a property tax credit for a dwelling owned by (1) a disabled public safety or judicial officer; (2) a surviving spouse of a fallen public safety or judicial officer; or (3) a cohabitant, provided specified conditions are met. Public safety officer includes a correctional officer, a law enforcement officer, or a member of a fire, rescue, or emergency medical service.

**Local Fiscal Effect:** Local property tax revenues may decrease beginning in fiscal 2027 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.

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.

Montgomery County granted property tax credits to six recipients in fiscal 2024 and 2025 in the amounts of \$28,402 and \$30,477, respectively.

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](#).

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## Additional Information

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See SB 330 of 2025 and SB 25 of 2024.

**Designated Cross File:** None.

**Information Source(s):** Maryland Association of Counties; Maryland Municipal League; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 3, 2026  
sj/hlb

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