

# **MoCo\_Boucher\_FAV\_SB 700**

Uploaded by: Boucher, Kathleen

Position: FAV



# Montgomery County

## Office of Intergovernmental Relations

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**SB 700**

**DATE: February 19, 2020**

**SPONSOR: Senator Waldstreicher, et al.**

**ASSIGNED TO: Budget and Taxation**

**CONTACT PERSON: Kathleen Boucher (kathleen.boucher@montgomerycountymd.gov)**

**POSITION: SUPPORT**

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### **Property Tax Credit – Disabled Military Personnel and Surviving Spouses**

Senate Bill 700 is an enabling bill that broadens provisions of current law that authorize local governments to create a property tax credit for an individual who is: (1) at least 65 years old and is a retired member of the uniformed services, military reserves, or national guard; or (2) a surviving spouse who is at least 65 years old and not remarried. Current law allows a local government to establish a maximum assessed value for eligible dwellings, establish any other additional eligibility criteria, and adopt regulations and procedures for the application and uniform processing of tax credit requests. The credit may not exceed 20% of the property tax and may be granted for up to five years as long as the taxpayer remains eligible.

This bill expands current law to allow a local government to enact a law that creates a property tax credit for disabled retirees and active-duty members of the uniformed services, military reserves, or national guard regardless of age, as well as a surviving spouse who is not remarried. The bill allows a local government to define “service-connected disability” rather than establish specific criteria in the bill that must be used by all local governments. All other components of existing law discussed above would apply to this type of credit, including authority to establish a maximum assessed value for eligible dwellings, establish any other additional eligibility criteria, and adopt regulations and procedures for the application and uniform processing of tax credit requests. Same as existing law – the credit may not exceed 20% of the property tax and may be granted for up to five years as long as the taxpayer remains eligible.

Montgomery County previously enacted a local law that created a property tax credit for retired members of the uniformed services, military reserves, or national guard who are at least 65 years old and who live in a dwelling that has a maximum assessed value of \$500,000. Surviving spouses who are at least 65 years old and not remarried are also eligible for the credit. The credit is 20% of the property tax and may be granted for up to five years as long as the taxpayer remains eligible. The County would like to have authority create a property tax credit for the individuals identified in House Bill 766. If the bill is enacted, the County will explore options for defining “service-connected disability” and other eligibility criteria. Montgomery County respectfully requests that the Senate Budget and Taxation Committee give Senate Bill 700 a favorable report.

**MACo\_FAV\_SB0700**

Uploaded by: Kinnally, Kevin

Position: FAV



## **Senate Bill 700**

### *Property Tax Credit - Disabled Military Personnel and Surviving Spouses*

MACo Position: **SUPPORT**

To: Budget & Taxation Committee

Date: February 19, 2020

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 700. The bill alters eligibility criteria of an existing local option property tax credit by adding active duty or retired members of the uniformed services of the United States, disabled veterans, or surviving spouses to the definition of individuals that are eligible recipients of the tax credit.

MACo generally supports legislation that provides broad authority to enact tax incentives for revitalization and tax relief purposes, and welcomes the opportunity to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives. Counties prefer the approach offered by SB 700 as it provides local autonomy to determine the best way to provide these incentives, rather than those that mandate reductions in local revenue sources.

SB 700 authorizes counties to enact the property tax credit and to provide, by law, for the duration of the credit, the maximum assessed value of a dwelling that is eligible for the credit, and, if necessary, any additional eligibility criteria. This will allow each jurisdiction that chooses to enact the credit to tailor it to their specific community needs. Additionally, it gives each county broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits enabled by the bill.

SB 700 ensures local governments have flexibility in enacting local policies designed to serve and react to community needs. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report for SB 700.