



## **Senate Bill 887**

### *Property Tax Credit - Business Entities - State of Emergency*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 3, 2021

From: Michael Sanderson and Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 887. The bill authorizes local governments to grant optional property tax credits to businesses affected by a state of emergency.

The swift and unprecedented shock of the COVID-19 public health crisis has wreaked havoc on the economy. As the focus shifts to restoring our state and local economies in a manner that is safe, equitable, and prosperous for all, counties are eager and committed partners in promoting economic growth and creating opportunity. MACo prefers the approach offered by SB 887 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 887 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 887 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 887.