



## House Bill 610

### *Homeowners' Property Tax Credit – Transfer of Dwelling to Surviving Family Member*

MACo Position: **OPPOSE**

To: Ways and Means Committee

Date: February 2, 2021

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** HB 610. This bill would open up the Homeowners' Property Tax Credit to be "transferrable" to a surviving family member under specified circumstances.

MACo is concerned with the potential carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources.

The Homeowners' Property Tax Credit is a State-reimbursed program that provides credits against State and local real property taxes for homeowners who qualify based on a sliding scale of property tax liability and income. Several counties grant a local supplement to the Homeowners' Property Tax Credit Program, the cost of which is borne by the local government. By opening up the State credit to be transferrable, local supplement programs may be affected – with those jurisdictions opting to create supplemental programs bearing a larger fiscal loss than they had anticipated at the time of their local program adoption.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities. MACo steadfastly guards this local autonomy, and frequently advocates against statewide solutions that mandate county compliance or otherwise override local decision-making.

HB 610 extends the breadth of, and confuses the policy rationale for, a current State program with local supplements. The fiscal effects, including those on counties offering local supplements, is unwarranted. MACo requests an **UNFAVORABLE** report.