



## **House Bill 404**

*Property Tax - Statewide Optional Credit for Homeowners  
Who Have Suffered a Hardship*

MACo Position: **SUPPORT  
WITH AMENDMENTS**

To: Ways and Means Committee

Date: February 14, 2023

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS HB 404 WITH AMENDMENTS**. The bill authorizes local governments to grant optional property tax credits to residents who have suffered a hardship under specified circumstances. An amendment could help in program administration.

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 HB 404 as it provides local autonomy to determine the best way to provide these incentives, rather than those that mandate reductions in local revenue sources.

This bill authorizes local governments to grant a property tax credit against the property tax imposed on a dwelling that is owned by a homeowner whose combined income exceeds \$60,000 if the homeowner demonstrates that (1) the homeowner was denied the homeowners' property tax credit for having a combined income that exceeds \$60,000; (2) the homeowner suffered a hardship in the calendar year that precedes the year in which the homeowner applies for the credit; (3) the homeowner paid or incurred expenses relating to the hardship that resulted in significant financial distress for the homeowner; and (4) the homeowner's combined income would not have exceeded \$60,000 if not for the expenses related to the hardship.

While MACo appreciates flexible and optional tools to serve and react to local needs and priorities, counties may lack the technical expertise to enact the property tax credit envisioned under this bill. To that end, MACo requests amendments to authorize counties to contract with the State Department of Assessments and Taxation (SDAT) to administer the credit.

For these reasons, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report on HB 404.