



Senate Bill 67

Property Tax Credit – Retail Service Station Conversions

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: January 18, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 67. This bill enables local governments to enact a property tax credit for specified converted retail stations. In addition, to the extent provided in the state budget, it requires the State to reimburse local governments for half of the foregone property tax revenue resulting from enacting the 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 67, as it provides local autonomy to determine the best way to provide these incentives rather than those that mandate reductions in local revenue sources.

The bill authorizes local governments to grant a property tax credit against the county or municipal property tax imposed on real property if the use of the real property has been converted from a retail service station to another retail use, a residential use, or a mixed retail and residential use, as specified.

In addition, the bill authorizes local governments 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 enacts the credit to tailor it to their 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 67 ensures local governments have flexibility in enacting policies designed to serve and react to community needs. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report for SB 67.