



Senate Bill 25

Property Tax Credit - Disabled or Fallen Law Enforcement Officer or Rescue Worker - Alterations

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: January 18, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** SB 25, as it makes several substantive changes to a property tax credit many local jurisdictions have already adopted, potentially altering the framing of the credit away from that considered by the local government.

Counties are concerned with the carryover county fiscal effects of this legislation, as it significantly extends eligibility for an existing credit, increases the value of the credit in specified circumstances, and repeals local authority to administer the credit. Expanding the breadth of this credit will result in a more meaningful fiscal loss than counties anticipated when originally enacting the credit.

Current law enables local governments to grant a property tax credit for an eligible disabled or fallen law enforcement officer or rescue worker, surviving spouse, or a cohabitant. Additionally, local governments may provide, by law, for the amount and duration of the credit and, if necessary, additional eligibility criteria.

This bill expands eligibility to a disabled law enforcement officer or rescue worker who dies regardless of the cause of death, requires that the credit reduces the property taxes owed on a newly acquired dwelling by the same proportion as the former dwelling (in circumstances when an eligible recipient purchases a new home), repeals the 10-year limitation on when an eligible individual must have acquired a dwelling to qualify for the property tax credit, and repeals local authority to provide for any additional limitation to the number of years that a dwelling was acquired within the date of an adjudication of disability or death.

Local-option property tax credits allow counties to enact credits tailored to their specific community needs. Additionally, they give each jurisdiction broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits an optional credit enables.

Counties welcome the opportunity to work with state policymakers to develop flexible and optional tools to implement comprehensive or targeted tax incentives, but resist state-mandated changes that preclude local input. Accordingly, MACo urges an **UNFAVORABLE** report on SB 25.