



Senate Bill 822

Property Tax - Tax Credit for Nonprimary Residence

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: March 4, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** SB 822, which mandates a property tax credit for nonprimary residences.

SB 822 forces a costly, state-imposed reduction in local revenue at a time when counties are already grappling with growing fiscal pressures, unfunded mandates, and proposed cost shifts.

Counties rely on property tax revenue to fund essential services, including public safety, education, infrastructure, and emergency response. Unlike the State, counties cannot generate new revenue streams to offset state-mandated tax reductions. This bill would shift the burden of lost revenue onto other taxpayers—particularly homeowners who live in their primary residences—forcing difficult budget decisions, service reductions, or higher tax rates elsewhere.

At the same time, the governor's budget plan and the Budget Reconciliation and Financing Act (BRFA) shift more than a quarter of a billion dollars onto counties. Counties must also absorb rising education costs under the Blueprint for Maryland's Future, increasing demands for public safety, and aging infrastructure needs. This bill compounds these financial pressures, leaving counties with fewer resources to meet essential community needs.

Counties already have the authority to offer targeted tax relief when appropriate, and many have structured local tax credits to balance homeowner support with fiscal sustainability. A one-size-fits-all state mandate ignores fiscal realities, undermining local decision-making and responsible budgeting.

For these reasons, MACo urges an **UNFAVORABLE** report on SB 822.