SB0822_BT_OPP.docx.pdf

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Position: UNF

WES MOORE
Governor

ARUNA MILLER
Lt. Governor

Maryland
DEPARTMENT OF ASSESSMENTS AND TAXATION

DANIEL K. PHILLIPS
Director

ROBERT YEAGER
Deputy Director

HEARING DATE: March 4, 2025

BILL: SB0822

TITLE: Property Tax - Tax Credit for Nonprimary Residence

SDAT POSITION: OPPOSE

The Department of Assessments and Taxation opposes Senate Bill 822 - Property Tax - Tax Credit for Nonprimary Residence. This legislation would create a new property tax credit for residential property that is not being used as the primary residence (non-owner occupied residential property).

As written, the Department would not be able to administer this bill with existing staff capabilities. The Department's Homestead Division would have to increase staffing significantly to handle the volume of new property tax credit applications. Additionally, the Department would be required to procure new processing and auditing software. For instance, SDAT currently uses MVA records to qualify residents for the Homestead Tax Credit. Credits are audited by checking for duplicate social security numbers or MVA profiles. This system would need to be overhauled, or a new filing system procured altogether to implement the provisions under this bill.

The Department appreciates the sponsor's intent and would be happy to discuss it further.

Accordingly, the Department respectfully requests an **UNFAVORABLE** report on Senate Bill 822.

MML - SB 822 - UNF.pdf
Uploaded by: Justin Fiore
Position: UNF

Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

March 4, 2025

Committee: Senate Budget and Taxation Committee

Bill: SB 822 – Property Tax – Tax Credit for Nonprimary Residence

Position: **Oppose**

Reason for Position:

The Maryland Municipal League opposes Senate Bill 822, which would grant the homestead property tax credit to nonprimary residences. The entire concept behind the Homestead Property Tax Credit was to protect owner-occupied properties so their tax burden does not price them out of their homes.

This legislation appears geared toward keeping vacation homes more affordable. This could cost millions in expected revenues in coastal municipalities and sets a bad precedent for extending the homestead tax credit beyond its intended audience. Local governments are currently looking for more revenue tools, not fewer. Policies such as SB 822 would ultimately lead to higher property tax rates on residents' primary homes.

For these reasons the League respectfully requests that this committee provide an unfavorable report on Senate Bill 822. For more information, please contact Justin Fiore, Deputy Director of Advocacy and Public Affairs, at justinf@mdmunipal.org. Thank you in advance for your consideration.

The Maryland Municipal League uses its collective voice to advocate, empower and protect the interests of our 160 local governments members and elevates local leadership, delivers impactful solutions for our communities, and builds an inclusive culture for the 2 million Marylanders we serve.

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SB0822-BT_MACo_OPP.pdf
Uploaded by: Kevin Kinnally
Position: UNF

MARYLAND Association of COUNTIES

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.