

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 721
Ways and Means

(Delegates Rey and Luedtke)

Property Tax Credit – Public Safety Officer – Definition

This bill alters the eligibility criteria of a local option property tax credit for specified public safety officers by adding volunteer emergency medical technicians to the definition of public safety officers that are eligible recipients of the property tax credit. The bill also alters the amount of the property tax credit that may be received by specifying that the amount may not exceed the lesser of \$2,500 per dwelling or the amount of the property tax imposed on the dwelling. **The bill takes effect June 1, 2018, and applies to taxable years beginning after June 30, 2018.**

Fiscal Summary

State Effect: None.

Local Effect: County and municipal property tax revenues may decrease beginning in FY 2019 to the extent that local jurisdictions grant the property tax credit, and the changes to existing eligibility requirements result in additional individuals becoming eligible for the property tax credit. Local expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: Chapter 686 of 2017 authorized county and municipal governments to grant a property tax credit for dwellings owned by specified public safety officers. The amount of the property tax credit may not exceed \$2,500 and the amount of property tax imposed on the dwelling. The State Department of Assessments and Taxation (SDAT) is responsible for the administrative duties that relate to the application and determination of

eligibility for the property tax credit. County and municipal governments must reimburse SDAT for the reasonable cost of administering the property tax credit. County and municipal governments may establish, by law, the amount of the property tax credit, the duration of the property tax credit, and additional eligibility requirements for public safety officers to qualify for the property tax credit.

Background: SDAT indicates that no local jurisdiction has authorized the property tax credit under Chapter 686 of 2017; however, Anne Arundel County is considering the program.

Local Fiscal Effect: County and municipal property tax revenues may decrease beginning in fiscal 2019, to the extent that local jurisdictions grant the property tax credit, and the changes to existing eligibility requirements result in additional individuals becoming eligible for the property tax credit. Depending on the jurisdiction, the revenue decrease may be significant. The amount of the revenue decrease depends on the number of eligible homeowners, the value of residential property tax assessments, and local property tax rates.

The Maryland Institute for Emergency Medical Services Systems does not have data on the number of volunteer emergency medical technicians in the State.

As a point of reference, **Exhibit 1** shows the average residential property tax assessments and property tax rates for each county. Additional information on local property tax rates and property assessments can be found in Chapters 4 and 5 of the [Overview of Maryland Local Governments report](#). A copy of the report can be found on the Department of Legislative Services website.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Anne Arundel and Charles counties; Maryland Association of Counties; City of Frederick; Maryland Institute for Emergency Medical Services Systems; State Department of Assessments and Taxation; Department of Legislative Services

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Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

Exhibit 1
Residential Property Tax Assessments and Property Tax Rates

County	Average Total Value FY 2017	Average County Homestead Credit FY 2017	Property Tax Rate FY 2018
Allegany	\$94,878	\$7,939	\$0.9760
Anne Arundel	276,482	89,033	0.9070
Baltimore City	133,263	30,478	2.2480
Baltimore	226,681	16,799	1.1000
Calvert	263,809	25,493	0.9520
Caroline	178,051	14,332	0.9800
Carroll	302,051	8,684	1.0180
Cecil	292,387	8,832	1.0414
Charles	259,751	8,850	1.2050
Dorchester	194,673	25,337	0.9740
Frederick	293,806	9,441	1.0600
Garrett	120,058	16,688	0.9900
Harford	257,605	8,181	1.0420
Howard	379,774	19,679	1.1900
Kent	223,204	43,863	1.0220
Montgomery	328,888	15,822	1.0129
Prince George's	214,043	33,141	1.3740
Queen Anne's	337,525	21,516	0.8471
St. Mary's	262,461	31,496	0.8478
Somerset	104,915	15,019	1.0000
Talbot	250,991	154,296	0.5708
Washington	203,350	10,216	0.9480
Wicomico	160,278	7,555	0.9398
Worcester	216,166	24,620	0.8350

Source: State Department of Assessments and Taxation
