

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
Third Reader

Senate Bill 804

(Senator Ellis)

Budget and Taxation

Ways and Means

---

Charles County - Property Tax Credit - Public Safety Officers

---

This bill authorizes Charles County to grant a 50% property tax credit for the dwelling located in the county owned by a specified public safety officer. A public safety officer eligible for the property tax credit includes (1) a police officer or deputy sheriff employed full time by a public safety agency in Charles County or a municipality in Charles County or (2) a Maryland State Police officer assigned to work full time in Charles County. The county government may establish (1) the duration of the credit; (2) additional eligibility requirements for public safety officers to qualify for the credit; (3) procedures for the application and uniform processing of requests for the credit; and (4) any other provisions necessary to carry out the credit. **The bill takes effect June 1, 2020, and applies to taxable years beginning after June 30, 2020.**

---

Fiscal Summary

**State Effect:** None.

**Local Effect:** Charles County property tax revenues decrease by a significant amount beginning in FY 2021 to the extent the property tax credit is granted. Under one set of assumptions, county revenues decrease by \$387,200 in FY 2021 and by \$479,400 in FY 2025. County 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. 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.

Chapter 654 of 2018 altered the calculation of the property tax credit by specifying that the tax credit may not exceed the lesser of \$2,500 or the amount of property tax imposed on the dwelling.

Chapter 164 of 2019 altered the eligibility criteria of the property tax credit by adding Maryland-National Capital Park and Planning Commission police officers and Washington Suburban Sanitary Commission police officers who live in Montgomery or Prince George's counties to the definition of public safety officers that are eligible recipients of the property tax credit.

Chapters 239 and 240 of 2019 altered the eligibility criteria of the property tax credit by adding volunteer emergency medical technicians to the definition of public safety officers that are eligible recipients of the property tax credit.

**Background:** The 2017 *Uniform Crime Report* indicates that there are 342 sworn law enforcement officers employed by the county, municipality, or the State Police in Charles County. This number includes 16 sworn officers employed by the Town of La Plata, 298 sworn officers in the Charles County Sheriff's Department, and 28 Maryland State Police officers.

The average residential assessment in Charles County for fiscal 2020 is \$243,900, and the real property tax rate is 1.205 per \$100 of assessment. U.S. Census data indicate that 77.2% of housing units in the county are owner-occupied.

**Local Fiscal Effect:** Charles County property tax revenues may decrease by a significant amount beginning in fiscal 2021, to the extent that the property tax credit is granted. The amount of the revenue decrease depends on the number of eligible homeowners, the value of residential property tax assessments, and the county property tax rate.

Charles County estimates that county property tax revenues will decrease by approximately \$387,200 in fiscal 2021 and by \$479,400 in fiscal 2025, to the extent the property tax credit is granted. The estimate assumes that 200 public safety officers will be eligible for the property tax credit in the first year, with the number increasing by 5 additional public safety

officers each year. This estimate is based on 175 county sheriff deputies residing within the county and 25 public safety officers with the La Plata police department or State Police also qualifying for the credit.

Additional information on local property tax rates and revenues can be found in the [County Revenue Outlook report](#). A copy of the report is available on the Department of Legislative Services' website.

---

### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Charles County; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 14, 2020  
mr/hlb Third Reader - February 28, 2020

---

Analysis by: Michael Sanelli

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