

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 435

(Senator Klausmeier)

Budget and Taxation

Ways and Means

Property Tax Credit - Disabled Law Enforcement Officers and Rescue Workers -
Definition and Eligibility

This bill requires a local government to determine the definition of a disabled law enforcement officer or rescue worker for purposes of receiving a local property tax credit. In addition, the bill expands eligibility for the property tax credit to include a disabled law enforcement officer or rescue worker or surviving spouse or cohabitant who was domiciled in the State any time within five years prior to the disabled law enforcement officer or rescue worker becoming disabled or dying. **The bill takes effect June 1, 2023, and applies to taxable years beginning after June 30, 2023.**

Fiscal Summary

State Effect: None.

Local Effect: Local property tax revenues may decrease beginning in FY 2024 to the extent the property tax credit is authorized and additional taxpayers become eligible for the property tax credit. The amount of the decrease depends on the number of eligible taxpayers and the assessed value of each residential property that is eligible for the property tax credit. Local expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: Local governments are authorized to grant a property tax credit for a dwelling owned by (1) a disabled law enforcement officer or rescue worker; (2) a surviving spouse of a fallen law enforcement officer or rescue worker; or (3) a cohabitant, provided specified conditions are met. To be eligible for the property tax credit, the dwelling must

have been acquired by the disabled law enforcement officer or rescue worker within 10 years of the date the disabled law enforcement officer or rescue worker was adjudged to be permanently and totally disabled or by the surviving spouse or cohabitant within 10 years of the fallen law enforcement officer's or rescue worker's death.

Local Fiscal Effect: Local property tax revenues may decrease to the extent the property tax credit is authorized and additional taxpayers become eligible for the property tax credit. The amount of the decrease depends on the number of eligible taxpayers and the assessed value of each residential property that is eligible for the property tax credit, neither of which can be reliably estimated at this time. Information on the extent to which the property tax credit has been granted in certain counties is provided below.

- Frederick County advises that three surviving spouses currently receive the property tax credit, and;
- Prince George's County provides a property tax credit to the surviving spouses or partners of law enforcement officers who have fallen in the line of duty. In fiscal 2021, the county provided 6 credits totaling \$15,200 (average credit was \$2,500). In fiscal 2022, the county provided 5 credits totaling \$13,800 (average credit \$2,750).

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: Similar legislation has been introduced within the last three years. See SB 983 and HB 285 of 2022.

Designated Cross File: HB 508 (Delegate D. Jones, *et al.*) - Ways and Means.

Information Source(s): Cecil, Frederick, Montgomery, and Prince George's counties; City of Havre de Grace; Maryland Municipal League; 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