

**SB0849-BT\_MACo\_SWA.pdf**

Uploaded by: Kinnally, Kevin

Position: FWA



## Senate Bill 849

### *Property Tax Credit - Airport Noise Zones - Eligibility*

MACo Position: **SUPPORT WITH  
AMENDMENTS**

To: Budget and Taxation Committee

Date: March 3, 2021

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 849 WITH AMENDMENTS**. This bill expands the authority of local governments to grant a property tax credit for properties adjacent to the Baltimore-Washington International Thurgood Marshall Airport (BWI) noise zone.

MACo generally supports legislation that provides broad authority to enact tax incentives for revitalization and tax relief purposes, and welcomes the opportunity to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives. Counties prefer the approach offered by SB 849 as it provides local autonomy to determine the best way to provide these incentives, rather than those that mandate reductions in local revenue sources.

Under current law, local governments are authorized to grant a property tax credit for owner-occupied properties located within the 75 LDN noise contour as established by the airport noise zone adjacent to BWI. SB 849 alters the credit to include properties in the 65 LDN contour, which extends farther out from the airport, and clarifies that local governments may grant the credit on a tiered system that varies the amount or duration of the credit based on where the property is situated in the airport noise zone.

Anne Arundel County currently grants a 50% property tax credit to residential properties located within the 75 LDN noise contour. By expanding the credit, the existing program may be affected, which could result in a larger fiscal loss than the County anticipated at the time of its local program adoption. An amendment would alleviate this concern by clarifying that any expansion of the existing credit is subject to the discretion of the local governing body.

Accordingly, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report on SB 849.

**Anne Arundel County\_UNFAV\_849.pdf**

Uploaded by: Baron, Peter

Position: UNF



March 5, 2021

**Senate Bill 849**  
**Property Tax Credit - Airport Noise Zones - Eligibility**  
**House Budget and Taxation Committee**

**Position: OPPOSED**

This Bill would expand the area of eligibility for an airport noise zone property tax credit around the Baltimore-Washington International Thurgood Marshall Airport. Anne Arundel County currently allows a 50% property tax credit for owner-occupied residential properties located in the 75 LDN noise contour, as authorized under State law. Under this Bill, approximately 455 residential properties located in the 65 LDN noise contour could become eligible for the property tax credit.

The County Charter limits the total annual increase in property tax revenue to the lesser of 4.5% or the increase in the Consumer Price Index. The County has a long history of maximizing revenue under the cap. As a result, any decrease in property tax revenue associated with particular credits generally results in a tax increase for the remainder of the base. The likely impact of this Bill will be raising taxes on individual residents.

The administration of the expanded credit would also require additional staff within the County Office of Finance. **For those reasons, we urge an UNFAVORABLE report on Senate Bill 849.**