



House Bill 1186

Property Tax Credit – Elderly Individuals, Veterans, and Surviving Spouses – Alteration of Duration

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Ways and Means Committee

Date: March 1, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS HB 1186 WITH AMENDMENTS**. The bill alters eligibility criteria of an existing local option property tax credit for specified residents by extending the maximum duration of the credit from five to ten years.

MACo requests amendments to grant counties broad flexibility to enact this credit by eliminating limitations on the duration and maximum value of the credit.

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 this optional property tax credit, 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 may authorize a property tax credit for older individuals, veterans, and surviving spouses. The maximum duration of the credit is five years, and the credit is limited to 20 percent of the total property tax. By eliminating these caps, each jurisdiction that chooses to enact the credit could tailor it to their specific community needs. Additionally, it would give each county broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits enabled by the bill.

As amended, HB 1186 would ensure local governments have flexibility in enacting local policies designed to serve and react to community needs. Accordingly, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report for HB 1186.