



Committee: Joint
Committee Review: At a future date
Staff: Robert H. Drummer, Senior Legislative Attorney
Purpose: To introduce agenda item – no vote expected
Keywords: #PublicSafetyTaxCredit

AGENDA ITEM #10D
October 19, 2021
Introduction

SUBJECT

Bill 39-21, Taxation – Public Safety Officers – Public Safety Emergency Communications Specialists – Property Tax Credit

Lead Sponsor: Council President Hucker and Council Vice-President Albornoz

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Whether to provide a property tax credit for public safety officers and public safety emergency communications specialists employed by the County.

DESCRIPTION/ISSUE

- Would this property tax credit increase the number of eligible County employees residing in the County?
- Would this property tax credit help recruit and retain eligible County employees?

SUMMARY OF KEY DISCUSSION POINTS

- The expected benefits to the County from this property tax credit versus the cost in lost revenue.

This report contains:

Staff Report
Bill 39-21
LRR

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MEMORANDUM

October 14, 2021

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Bill 39-21, Taxation – Public Safety Officers – Public Safety Emergency Communications Specialists – Property Tax Credit

PURPOSE: Introduction – no Council votes required

Bill 39-21, Taxation – Public Safety Officers – Public Safety Emergency Communications Specialist – Property Tax Credit, sponsored by Lead Sponsors Council President Hucker and Council Vice-President Albornoz, is scheduled to be introduced on October 19, 2021. A public hearing is tentatively scheduled for November 9, 2021 at 1:30 p.m.¹

Background

The General Assembly authorized the County to enact a property tax credit for certain public safety officers in Md. Tax-Property Code Ann. § 9-260 and for certain public safety emergency communications specialists in Md. Tax-Property Code Ann. § 9-262. The annual property tax credit must not exceed \$2500 or the total amount of property tax owed. The employee must be a legal owner of the property and the property must be the principal residence of the employee. The County is authorized to establish additional eligibility requirements for the property tax credit.

Bill 39-21 would establish a County property tax credit for a full-time sworn police officer, firefighter, emergency medical technician, or a public safety emergency communications specialist employed by the County. The Bill would authorize the maximum \$2500 credit for an eligible employee. The purpose of the Bill is to increase the number of County employees occupying these positions who reside in the County and help recruit and retain these employees.

This packet contains:

Expedited Bill 39-21

Legislative Request Report

Circle #

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¹##PublicSafetyTaxCredit

Bill No. 39-21
Concerning: Taxation – Public Safety
Officers – Public Safety Emergency
Communications Specialists -
Property Tax Credit - Established
Revised: 10-11-2021 Draft No. 3
Introduced: _____
Expires: _____
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Council President Hucker Council Vice President Albornoz

AN ACT to:

- (1) establish a tax credit against real property tax for certain County public safety officers and public safety emergency communication specialists;
- (2) provide for the amount of the property tax credit;
- (3) establish eligibility for the public safety officer and public safety emergency communication specialist property tax credit; and
- (4) generally amend the law governing property tax credits.

By adding

Montgomery County Code
Chapter 52, Taxation
Section 52-112

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 52-112 is added as follows:**

2 **52-112. Police Officer Property Tax Credit.**

3 (a) Definitions. In this Section:

4 Director means the Director of the Department of Finance or the
5 Director's designee.

6 Dwelling means as defined in Md. Tax-Property Code Ann. § 9-105.

7 Public safety emergency communication specialist means a full-time
8 County employee responsible for providing mission critical services
9 between the general public in crisis and law enforcement, fire, emergency
10 medical, and animal control providers in the 9-1-1 emergency
11 communications center.

12 Public safety officer means a full-time sworn police officer, firefighter,
13 or emergency medical technician employed by the County.

14 (b) Credit required. The Director must allow each eligible taxpayer a credit
15 against County real property taxes due in each tax year in which the
16 taxpayer is eligible for the credit.

17 (c) Eligibility. A taxpayer is eligible for the tax credit each year for
18 residential property located in the County if the taxpayer:

19 (1) is a public safety officer or a public safety emergency
20 communication specialist employed by the County;

21 (2) is using the property as the employee's principal residence;

22 (3) occupies or is expected to occupy the property for more than 6
23 months of a 12-month period beginning with the date of finality
24 for the taxable year for which the property tax credit under this
25 section is sought; and

26 (4) is a legal owner of the property.

(d) Amount of credit. The credit must equal the lesser of \$2500 or the amount of the County property tax otherwise due on the property.

(e) Application. In order to receive the credit, a public safety officer or a public safety emergency communications specialist must apply for the credit with the Director on or before April 1 of the tax year before the first tax year the tax credit is sought on a form containing the information required by the Director. An employee must apply to continue the credit on or before April 1 of the tax year before each subsequent tax year. The Director must determine taxpayer eligibility for the credit.

(f) Continuous eligibility required. If, at any time during the term of the credit or the renewal of the credit, the property is no longer eligible for the credit:

(1) the credit granted to the property must be terminated; and

(2) the owner of the property is liable for all property taxes that would have been due if the credit had not been granted for any year that the property was not eligible for the credit.

(h) Appeal. The Director must take all actions necessary to apply the credit to each eligible taxpayer who applies for the credit and is certified as eligible by the Director. A taxpayer may appeal a final decision by the Director denying or terminating the credit to the Maryland Tax Court within 30 days after receiving a notice of denial or termination from the Director.

Sec. 2. Evaluation. The Director must submit a report to the Executive and the Council on or before January 1, 2024 evaluating the effectiveness of the tax credit in increasing the number of public safety officers and public safety emergency communications specialists living in the County.

LEGISLATIVE REQUEST REPORT

Bill 39-21

Taxation – Public Safety Officers – Public Safety Emergency Communications Specialist – Property Tax Credit – Established

DESCRIPTION:	Bill 39-21 would establish a County property tax credit for a full-time sworn police officer, firefighter, emergency medical technician, or a public safety emergency communications specialist employed by the County. The Bill would authorize the maximum \$2500 credit for an eligible employee.
PROBLEM:	Retention and recruitment for these positions has been difficult.
GOALS AND OBJECTIVES:	The purpose of the Bill is to increase the number of County employees occupying these positions who reside in the County and help recruit and retain these employees.
COORDINATION:	Department of Finance, Office of Labor Relations, Police, Fire
FISCAL IMPACT:	To be requested.
ECONOMIC IMPACT:	To be requested.
EVALUATION:	To be researched.
EXPERIENCE ELSEWHERE:	To be researched.
SOURCE OF INFORMATION:	Robert H. Drummer, Senior Legislative Attorney (240) 777-7895
APPLICATION WITHIN MUNICIPALITIES:	To be researched.
PENALTIES:	None