



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

AGENDA ITEM #11
November 9, 2021
Public Hearing

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

Co-Sponsors: Councilmembers Navarro, Katz, Friedson, Jawando, Glass and Rice

EXPECTED ATTENDEES

Members of the public

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

N/A; hearing testimony from public

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

None

This report contains:

Staff Report	Pages 1-2
Bill 39-21	© 1
LRR	© 4
OCA Bill Review	© 5

F:\LAW\BILLS\2139 Taxation - Property Tax Credit - Public Safety Officer – Established\PH Cover Sheet.Docx

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MEMORANDUM

November 4, 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: Public Hearing – to receive testimony

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 Alborno, with Co-Sponsors Councilmembers Navarro, Katz, Friedson, Jawando, Glass and Rice, was introduced on October 19, 2021. A Joint Public Safety and Government Operations & Fiscal Policy Committee worksession will be scheduled at a later date.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.

The County Attorney's Office concluded that the Bill had no legal impediments (©5). The County Attorney pointed out that this Bill would grant a benefit to eligible employees that could be negotiated in collective bargaining with employee unions, but the Council has the authority to mandate this benefit through legislative action outside of the collective bargaining process.

¹ ##PublicSafetyTaxCredit

This packet contains:

Expedited Bill 39-21

Legislative Request Report

OCA Bill Review

Circle #

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Bill No. 39-21
Concerning: Taxation – Public Safety
Officers – Public Safety Emergency
Communications Specialists -
Property Tax Credit - Established
Revised: 10-19-2021 Draft No. 4
Introduced: October 19, 2021
Expires: April 19, 2023
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 Alborno
Co-Sponsors: Councilmembers Navarro, Katz, Friedson, Jawando, Glass, and Rice

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

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

* * *

Heading or defined term.

Added to existing law by original bill.

Deleted from existing law by original bill.

Added by amendment.

Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

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.

- 27 (d) Amount of credit. The credit must equal the lessor of \$2500 or the amount
 28 of the County property tax otherwise due on the property.
- 29 (e) Application. In order to receive the credit, a public safety officer or a
 30 public safety emergency communications specialist must apply for the
 31 credit with the Director on or before April 1 of the tax year before the first
 32 tax year the tax credit is sought on a form containing the information
 33 required by the Director. An employee must apply to continue the credit
 34 on or before April 1 of the tax year before each subsequent tax year. The
 35 Director must determine taxpayer eligibility for the credit.
- 36 (f) Continuous eligibility required. If, at any time during the term of the
 37 credit or the renewal of the credit, the property is no longer eligible for
 38 the credit:
- 39 (1) the credit granted to the property must be terminated; and
 40 (2) the owner of the property is liable for all property taxes that would
 41 have been due if the credit had not been granted for any year that
 42 the property was not eligible for the credit.
- 43 (h) Appeal. The Director must take all actions necessary to apply the credit
 44 to each eligible taxpayer who applies for the credit and is certified as
 45 eligible by the Director. A taxpayer may appeal a final decision by the
 46 Director denying or terminating the credit to the Maryland Tax Court
 47 within 30 days after receiving a notice of denial or termination from the
 48 Director.

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

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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



OFFICE OF THE COUNTY ATTORNEY

Marc Elrich
County Executive

Marc P. Hansen
County Attorney

MEMORANDUM

TO: Mike Coveyou
Director, Department of Finance

VIA: Edward B. Lattner, Chief *EBL*
Division of Government Operations

FROM: Taggart B. Hutchinson *Taggart B. Hutchinson*
Associate County Attorney

DATE: October 29, 2021

RE: Bill No. 39-21, Taxation – Public Safety Officers – Public Safety Emergency
Communications Specialists – Property Tax Credit

Summary:

This bill creates a residential property tax credit up to \$2500 for County-employed public safety officers and public safety emergency communication specialists. The bill requires the property owner to apply for the credit to the Director of Finance by April 1 of the tax year before the first year of its application and every year thereafter. If a property owner fails to meet the eligibility requirements for these property tax credits at any time during a given tax year, the Director of Finance must deny the application for property tax credits and recapture any credits previously granted for that tax year.

An employment benefit like this would normally come to the Council as a result of collective bargaining between the employer (the County Executive) and the employees' certified representative (their unions). However, the Council retains full legislative authority to act unilaterally in this area under all of the County's collective bargaining laws.

Legal Implications:

The bill as drafted has no legal issues.

If you have any concerns or questions concerning this memorandum, please call me.

Bill 39-21
October 29, 2021
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cc: Marc Hansen, County Attorney
Bob Drummer, Senior Legislative Attorney
Ken Hartman, Director of the Strategic Partnerships