

Office of the County Auditor
Auditor's Analysis

Council Bill No. 27-2023

Introduced: June 5, 2023

Auditor: Lori Buchman

Fiscal Impact:

There will be no additional fiscal impact if Council Bill No. 27-2023 is passed. The proposed legislation does not change the current eligibility for a Public Safety Officer or the amount of credit that may be granted.

Purpose:

The proposed legislation amends the definition of “Public Safety Officer” for purposes of eligibility for the Public Safety Officers’ Real Property Tax Credit. The definition must be set by the County due to a new State law (Senate Bill 61).

Other Comments:

Senate Bill 61 also repeals the \$2,500 limit on the amount of the property tax credit that may be provided. The Administration has not proposed a change to the County’s current limit of \$2,500, which would have resulted in additional foregone property tax revenue.

Beginning in 2023, The Department of Finance no longer requires a renewal form for continuation of the Public Safety Officers’ Real Property Tax Credit. Finance verifies eligibility based upon payroll reports and property owner updates from the State Department of Assessment and Taxation.

See **Attachment A** for a schedule of tax credits issued between 2019 and 2022 from the Public Safety Officers’ Real Property Tax Credit.

Attachment A

The County has issued the following amount of real property tax credits for Public Safety Officers between Fiscal Years 2019 and 2022. According to the County's Financial System, credits issued in Fiscal Year 2023, to date, total \$370,514.

Public Safety Officers Real Property Tax Credits		
Fiscal Year	Number of Properties	Amount of Tax Credit
2019*	159	197,500
2020	168	411,668
2021	182	426,360
2022	168	385,111
Total		1,420,639

Sources: Howard County Department of Finance; SB0061 Fiscal Policy Note

*In Fiscal Year 2019, the credit's first year, 50 percent of the tax credit was provided