



House Bill 351

Property Tax - Homestead Property Tax Credit Percentage - Deadlines

MACo Position: **SUPPORT**

Date: March 30, 2017

To: Budget and Taxation Committee

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** HB 351. This bill extends the deadline for local governments to set or change their homestead property tax credit percentage, moving it from November to March.

MACo supports this bill because it gives counties more time and flexibility to set their homestead property tax credit percentages. By moving the deadline to four months later, counties will have the opportunity to consider their most recent revenue estimates and budget plans for the coming fiscal year and the flexibility to adjust their homestead tax credit percentages as appropriate.

By March, counties are much further along in the process of planning their operating budgets for the upcoming fiscal year, and some may have already submitted their proposed operating budgets for consideration and approval. Moving this deadline to March gives counties greater opportunity to coordinate their homestead property tax credit percentage with their budget plans and needs for the upcoming fiscal year.

In addition to being significantly further along in the budgeting process in March than November, having an extra four months may simply mean that counties have more information to set their homestead property tax credit percentages more appropriately. During these four months, significant unanticipated expenditures may have arisen, clearer revenue estimates may have surfaced, or even State legislative activity may have provided insight into how a county's fiscal outlook may change in the upcoming year. For these reasons, the four months between March and November can prove extremely helpful in allowing counties to set their homestead property tax credit at percentages that make the most sense for them.

Accordingly, MACo requests that the Committee give HB 351 a **FAVORABLE** recommendation.