



House Bill 708

Property Tax Exemption - Disabled Veterans

MACo Position: **OPPOSE**

To: Ways and Means Committee

Date: February 18, 2020

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** HB 708. This bill would significantly expand an existing property tax exemption for disabled veterans and surviving spouses.

MACo is concerned with the carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources.

Under current law, for a property tax exemption to be granted to a disabled veteran or surviving spouse, the disabled veteran must have a 100% service-connected disability. However, if the exemption was expanded to include veterans with at least an 80% service-connected disability, counties could lose up to \$8 million of their most reliable revenue source by fiscal 2021, according to the bill's fiscal note. This is county revenue sorely needed to fund education, public safety, infrastructure, and other essential services.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities.

Counties welcome the chance to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives, but resist state-mandated changes that preclude local input.

For these reasons, MACo urges the Committee to issue an **UNFAVORABLE** report on HB 708.