



BILL NO.: House Bill 976
TITLE: Property Tax – Exemption for Blind Individuals and Surviving Spouses
POSITION: Oppose
DATE: March 2, 2012
COMMITTEE: Ways & Means
CONTACT: Andrea Mansfield

The Maryland Association of Counties (MACo) **OPPOSES** House Bill 976. This bill would expand an existing property tax exemption for blind individuals or their surviving spouses by increasing from \$15,000 to \$30,000, the amount of the assessed value of the individual's home that is exempt from property taxes.

MACo opposes HB 976 for fiscal reasons. Counties have faced economy-driven fiscal challenges in recent years, with county revenue woes expected to continue as property assessments remain in decline. Further, county governments have suffered disproportionately as part of the State's budget balancing. Local governments have foregone approximately \$1.8 billion in State support since FY 2010, with the non-education segment of county government suffering the deepest blows.

Now, the Governor's proposed budget plan seeks a massive shift of teacher pension costs to county governments. These costs, totaling \$239 million for FY 2013, are expected to grow to approximately \$300 million in FY 2014 and continue to grow in costs each year thereafter, leaving the already weakened county budgets with even further burdens.

According to the fiscal note for HB 976, local property tax revenues will decline by \$445,000 beginning in FY 2013. County budgets are already strained and when combined with other reductions and cost shifts, they simply cannot accommodate further state-mandated reductions in revenue.

For these reasons, MACo urges the Committee to give HB 976 an **UNFAVORABLE** report.