



## House Bill 1175

### *Property Tax Credit for Disabled Veterans - Established*

MACo Position: **OPPOSE**

To: Ways and Means Committee

Date: March 2, 2021

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** HB 1175. This bill would mandate that counties grant, by law, a prescriptive property tax credit for specified 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, veterans with a 100% service-connected disability and surviving spouses are exempt from state and local real property taxes. HB 1175 would require county governments to grant a property tax credit equal to the percentage of a disabled veteran's service-connected disability rating. This bill would have a significant impact on local revenues, which are sorely needed to fund public health, schools, 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.

As the focus shifts to restoring our state and local economies in a manner that is safe, equitable, and prosperous for all, counties welcome the opportunity 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 1175.