



House Bill 1323

Property Tax – Credit for Revitalization Districts

MACo Position: **SUPPORT**

Date: April 4, 2017

To: Budget & Taxation Committee

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1323. This bill authorizes local governments to grant optional property tax credits to homeowners who make improvements to their homes in specified “revitalization districts,” which local jurisdictions are empowered to define and designate. The credits apply to any increase in property taxes associated with an increased assessment resulting from the improvements, and phase out over a five-year period.

MACo generally supports legislation that provides broad authority to enact tax incentives for revitalization and tax relief purposes, and welcomes the opportunity to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives. Counties prefer the approach offered by HB 1323 as it provides local autonomy to determine the best way to provide these incentives, rather than those that mandate reductions in local revenue sources.

HB 1323 authorizes counties to enact the property tax credit, determine the locations in which to implement it, and apply additional eligibility criteria as necessary. This will allow each jurisdiction that chooses to enact the credit to tailor it to their specific revitalization needs and incentivize improvements in those areas where the jurisdiction sees most fit. Additionally, it gives each county broad discretion to control how many credits it authorizes and how much revenue it is willing to forego to provide the desirable benefits enabled by the bill.

For these reasons, MACo recommends a **FAVORABLE** report on HB 1323.