



Senate Bill 158

Homestead Property Tax Credit Program - Eligibility Awareness

MACo Position: **SUPPORT**
WITH AMENDMENTS

Date: January 31, 2018

To: Budget and Taxation Committee

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** SB 158 **with AMENDMENTS**. This bill would require the State Department of Assessments & Taxation (SDAT) to mail notices every three years to taxpayers who are eligible for the homestead property tax credit but fail to avail themselves of it.

MACo has no quarrel with the principle of notifying taxpayers of opportunities for them to take advantage of homeowner tax benefits. However, counties do take issue with the Governor's proposal to shift 90 percent of costs for SDAT's operations of its property assessments, information technology, and Office of the Director onto counties – a fiscal burden of approximately \$20 million annually. This provision is contained in SB 187, the Budget Reconciliation and Financing Act (BRFA) of 2018, on page 21, line 2. MACo's support for SB 158 is contingent on an amendment to prevent this BRFA clause from taking effect (following the clause in statutory construction where the specific overrides the general).

Counties have no means of control or authority over how SDAT manages its operations or spends its budget. The fiscal note for SB 158 provides a reasonable estimate of costs - about \$150,000 - to implement. However, counties have no method by which to hold SDAT accountable for performing these tasks within a budget close to that amount. Nor can counties control whether SDAT or the Administration funds implementation of this bill through its Tax Credit Division, as seems most appropriate, or its Real Property Assessments Division, one of those divisions the Governor proposes counties fund almost in its entirety.

The Governor's proposed SDAT cost shift will lead to a lack of government accountability which endangers the wise expenditure of taxpayer dollars. Therefore, MACo **supports this bill, with amendments** to preclude the BRFA's proposed SDAT cost shift from taking effect.