



Senate Bill 689

Property Tax Credit – Retail Service Stations – Alternate Power Sources

MACo Position: **OPPOSE**

Date: March 6, 2013

To: Budget and Taxation Committee

From: Andrea Mansfield

The Maryland Association of Counties (MACo) **OPPOSES** SB 689. This bill would require local governments to grant a property tax credit to a retail service station if it has installed an alternate power source that could be used to keep fuel pumps operational during a power outage.

SB 689 establishes a mandatory property tax credit with no oversight or accountability. Under current law, there are numerous statewide optional property tax credits. Typically, statutory language establishes some level of oversight by authorizing a local government to establish parameters for the credit and the amount. SB 689 establishes the credit at the lesser of 100% of the alternate power source or \$20,000, providing what could be a dollar-for-dollar credit with no determination of whether the equipment was purchased from a reliable manufacturer, whether the purchase price was reasonable or competitive, or whether the seller had any familial or business relationship with the property owner.

Further, SB 689 would mandate local governments to implement this credit. As a general policy, MACo does not take positions on local option property tax credits. We believe optional credits support local autonomy and flexibility since they are authorizing in nature. However, SB 689 would require a local government to enact a property tax credit, not taking into consideration the jurisdiction's fiscal situation or its broader needs. These decisions are best left up to the local government.

For these reasons, MACo urges the Committee to issue an **UNFAVORABLE** report on SB 689.