



Senate Bill 849

Property Tax Credit - Airport Noise Zones - Eligibility

MACo Position: **SUPPORT WITH
AMENDMENTS**

To: Budget and Taxation Committee

Date: March 3, 2021

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 849 WITH AMENDMENTS**. This bill expands the authority of local governments to grant a property tax credit for properties adjacent to the Baltimore-Washington International Thurgood Marshall Airport (BWI) noise zone.

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 SB 849 as it provides local autonomy to determine the best way to provide these incentives, rather than those that mandate reductions in local revenue sources.

Under current law, local governments are authorized to grant a property tax credit for owner-occupied properties located within the 75 LDN noise contour as established by the airport noise zone adjacent to BWI. SB 849 alters the credit to include properties in the 65 LDN contour, which extends farther out from the airport, and clarifies that local governments may grant the credit on a tiered system that varies the amount or duration of the credit based on where the property is situated in the airport noise zone.

Anne Arundel County currently grants a 50% property tax credit to residential properties located within the 75 LDN noise contour. By expanding the credit, the existing program may be affected, which could result in a larger fiscal loss than the County anticipated at the time of its local program adoption. An amendment would alleviate this concern by clarifying that any expansion of the existing credit is subject to the discretion of the local governing body.

Accordingly, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report on SB 849.