ANNE ARUNDEL COUNTY
MARYLAND
Office of Law

Gregory J. Swain, County Attorney

MEMORANDUM

To:	Council Members, Anne Arundel County Council
Through:	Gregory J. Swain, County Attorney /s/
From:	Kelly Phillips Kenney, Supervising County Attorney /s/
Date:	February 18, 2020
Subject:	Bill No. 17-20 – Finance, Taxation, and Budget – Real Property Taxes – Tax Credits – 9-1-1 Specialists

Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 17-20. The summary is intended to explain the purposes and legal effects of the bill.

Purpose.

Purpose and Background. The primary purpose of Bill No. 17-20 is to create a real property tax credits for 9-1-1 Specialists ("specialist") employed by the County, which is authorized to be adopted by a local jurisdiction in § 9-262 of the Tax Property Article of the Maryland Annotated Code.

Section **4-2-301** is new and creates the 9-1-1 Specialists real property tax credit. The new section is nearly identical to the existing public safety officer tax credit set forth in § 4-2-312 of the code. Subsection **(a)(1)** defines "dwelling" to have the meaning set forth in § 9-105 of the Tax-Property Article.[1] Subsection **(a)(2)** defines "9-1-1 Specialist" to have the meaning set forth in § 9-262 of the Tax property Article, which is:

[1] This section defines "dwelling" as:

1. a house that is:
    A. used as the principal residence of the homeowner; and

An employee of a county public safety answering point, or an employee working in a county safety answering point, whose duties and responsibilities include:

(i) receiving and processing 9-1-1 requests for emergency assistance;
(ii) other support functions directly related to 9-1-1 requests for emergency assistance; or
(iii) dispatching law enforcement officers, fire rescue services, emergency medical services, and other public safety services to the scene of an emergency.

Subsection **(b)** creates the tax credit from County real property taxes on a dwelling owned by an eligible specialist. Subsection **(c)** sets forth criteria for a specialist to be eligible for the credit. The specialist must be employed by the County and have completed at least one year of full time employment as a specialist. The specialist must also be eligible for the homestead tax credit under State law.[2] Additionally, the specialist tax credit cannot be combined with any optional property tax credits authorized by State or County law.

Subsection **(d)** provides that the tax credit is calculated on the total County tax due on the dwelling based on the assessment. The credit cannot exceed the lesser of $2,500 or the total County tax due on the dwelling.

Under subsection **(e)**, the credit is available for a total of five years, and the specialist must apply to renew the credit for each year. Subsection **(e)** also authorizes an administrative fee of 1% of the total tax credit to cover the County's administration of the credit for the duration of the credit.

Subsection **(f)** requires that an application for the credit shall be filed on or before April 1 immediately before the taxable year for which the credit is sought. If the application is filed after April 1, the credit will apply for the following taxable year. Subsection **(g)** provides that the application for the credit shall be on a form provided by the Controller's office.

Subsection **(h)(1)** sets forth the scenarios under which the tax credit is terminated. The tax credit shall terminate on the sooner of the specialist receiving the credit for five years; no longer

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B. actually occupied or expected to be actually occupied by the homeowner for more than 6 months of a 12-month period beginning with the date of finality for the taxable year for which the property tax credit under this section is sought; and

2. the lot or curtilage on which the house is erected.

(ii) "Dwelling" includes:
1. a condominium unit that is occupied by an individual who has a legal interest in the condominium;
2. an apartment in a cooperative apartment corporation that is occupied by an individual who has a legal interest in the apartment; and
3. a part of real property used other than primarily for residential purposes, if the real property is used as a principal residence by an individual who has a legal interest in the real property.

[2] This criteria ensures that the dwelling is the owner's principal residence and that the owner has lived in it for at least six months of the year, including July 1 of the year for which the credit is applicable. The Homestead Credit limits the increase in taxable assessments each year to a fixed percentage.

being employed by the County for a reason other than a service related disability, or no longer owning the dwelling for which the credit was granted.

Under subsection **(h)(2)**, if a specialist is terminated for a cause listed in § 808(b) through (e) of the Charter,[3] they shall be liable for the all taxes as if the tax credit had not been granted, along with all interest and penalties on those taxes. Under **(h)(3)**, for a specialist who is terminated for a reason other than a cause listed in § 808(b) through (e) of the Charter, the tax credit is prorated to apply to the portion of the taxable year for which the specialist was eligible, and they are liable for the remaining property taxes.

Section 3 provides that the application deadline of April 1 set forth in subsection (f) shall be extended to June 1, 2020 for this taxable year beginning July 1, 2020 to allow specialists to apply for the credit this year.

cc: Honorable Steuart Pittman, County Executive
Jennifer Purcell, Chief of Staff
Benjamin J. Birge, Chief Administrative Officer
Peter Baron, Legislative Liaison
Chief Timothy Altomare
Chief Trisha Wolford
Rick Napolitano
Karin McQuade, Controller
Jim Beauchamp, Budget Officer

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[3] These reasons are:

(b) That the employee has committed an act on or off duty which amounts to conduct unbecoming to the employee's classification or position.
(c) That an employee is incompetent or inefficient in the performance of the employee's duty.
(d) That the employee has violated any lawful and official regulation or order, or failed to obey any lawful and reasonable direction made or given by the employee's superior officer.
(e) That the employee has violated an ordinance passed by the County Council establishing grounds for disciplinary action of permanent employees.