





February 26, 2025

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

Colette R. Gresham, Esq.
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Roger G. Banegas 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-008-2025 The Revised Public Safety Officer Real Property Tax Credit

CB-008-2025 (*Proposed by:* Council Member Blegay)

Assigned to the Government Operations and Fiscal Policy (GOFP) Committee

AN ACT CONCERNING THE REVISED PUBLIC SAFETY OFFICER REAL PROPERTY TAX CREDIT for the purpose of revising the definition of public safety officers eligible for the real property tax credit.

Fiscal Summary

Direct Impact

Expenditures: Modest additional expenditures likely required for administrative costs.

Revenues: Reduced revenue from foregone property tax, not likely to exceed \$200,000 per year.

Indirect Impact

Potentially favorable.

Legislative Summary:

CB-008-2025¹, proposed and sponsored by Council member Blegay, was presented on February 4, 2025, and referred to the Government Operations and Fiscal Policy (GOFP) Committee. This Bill adds the definition of Public Safety Officer to include those employed by “a bi-county agency”, which includes the Maryland-National Capital Park and Planning Commission (MNCPPC) Park Police and Washington Suburban Sanitary Commission (WSSC) Police as officers eligible for the tax credit.

Background/Current Law:

Section 9-260(b)² of the Annotated Code of Maryland provides that county and municipal corporations may grant, by law, a property tax credit for a dwelling owned by a specified public safety officer. The amount of the property tax credit may not exceed \$2,500, and the amount of property tax imposed on the dwelling. The State Department of Assessments and Taxation (SDAT) is responsible for the administrative duties that relate to the application and determination of eligibility for the property tax credit. County and municipal governments must reimburse SDAT for the reasonable cost of administering the property tax credit.

The County Council previously enacted CB-087-2023³ which amended Subtitle 10: Finance and Taxation of the County Code. The Bill incentivized public safety officers to work and live in the County by offering them a yearly tax credit of \$2500.00. The Director of Finance provides the application for this credit before October 1st of each fiscal year. Additionally, the Director of Finance must submit an annual report to the County Council by December 31st of each year regarding the property tax credit for the impacted dwellings.

Tax Credit Reform Commission:

In February 2018, the Tax Credit Reform Commission⁴ was established to review and analyze current and proposed tax credits to determine the effectiveness, utilization, and efficacy of the tax credits. The Commission estimated that the proposed tax credit for the elderly and veterans would cost \$2.8 million for elderly, and \$13.7 million for veterans each year.⁵ and at the time did not recommend any proposed tax credits related to real property taxes.

¹ [CB-008-2025](#)

² [Section 9-260 of the Annotated Code of Maryland](#)

³ [CB-087-2023](#)

⁴ Tax Credit Reform Commission – [Property Tax Credits](#)

⁵ Tax Credit Reform Commission – [Final Report – pages 1-2](#)

The Commission applied three questions to each proposed tax credit it considered, and those questions may be appropriate in the Council's consideration of CB-005-2022. They are:

- (1) What public or social policy are we trying to serve?
- (2) How does a property tax credit address that policy?
- (3) How much of a credit, if any, is necessary to address the policy?⁶

Relevant legislation from Other Jurisdictions

The Montgomery County Council enacted Bill 39-21⁷ on November 28, 2022, with the legislative intent of increasing the number of County employees occupying certain Public Safety Officers (PSOs) positions who reside in Montgomery County and helping and retaining those employees. The enactment of Bill 39-21 established a tax credit against real property tax for certain Montgomery County public safety officers and public safety emergency communication specialists. The amount of the credit is \$2,500 per year, which is the same amount proposed in CB-087-2023. Montgomery County's Office of Management and Budget found that 50% of the Police Department resided within Montgomery County, while 20% of the Fire Department resided in the County⁸. In November 2024, Montgomery County enacted Bill 15-24, which extended eligibility of the credit to officers employed by M-NCPPC and WSSC, as well as other public safety personnel.⁹

Resource Personnel:

- Leroy D. Maddox Jr., Legislative Officer

Discussion/Policy Analysis:

The proposed Bill, CB-008-2025, would provide a \$2,500 property tax credit, against the imposed annual property tax credit on a dwelling located within Prince George's County owned by a public safety officer. The Bill adds additional language to define a *public safety officer* as (A) an individual employed by Prince George's County who works full-time as a firefighter, an emergency medical technician, a correctional officer, a police officer, or a deputy sheriff, (B) a volunteer firefighter or volunteer emergency medical technician for the Prince George's County Fire/EMS Department who is eligible for an annual stipend under the length of service program (LOSAP), and (C) a public safety officer employed by a bi-County agency, which includes Maryland-National Capital Park and Planning Commission (MNCPPC), Washington Suburban Sanitary Commission (WSSC), and Washington Suburban Transit Commission (WSTC).

According to information provided during consideration of Montgomery County Bill 15-24, M-NCPPC employs 181 public safety officers between Montgomery and Prince Georges counties.

⁶ Tax Credit Reform Commission – [Final Report – pages 1-2](#)

⁷ [Bill 39-21 - Montgomery County, MD](#)

⁸ [Economic Impact Statement from Office of Legislative Oversight](#)

⁹ [Bill 15-24 – Montgomery County MD](#)

Staff does not have information on the number of WSSC Police Officers that may be eligible for the credit, but the WSSC Police Department is funded for 45.0 work years in the current fiscal year,¹⁰ so the number of recipients would likely be substantially fewer than 45.

Fiscal Impact:

- *Direct Impact*

The enactment of CB-008-2025 will have a direct adverse fiscal impact on the County both due to the possibility of additional administrative costs and foregone revenue from the grant of the credits.

Information provided by the union representing M-NCPPC indicates that as of February 25, 2025, there are fifty (50) MNCPPC public safety officers who own homes in the County. The table below shows a breakdown of the likely fiscal impact based on the participation rate in the credit:

Participation Rate	60%	70%	80%	90%	100%
Fiscal Impact	\$ 75,000	\$ 87,500	\$ 100,000	\$ 112,500	\$ 125,000

Based on the above information and assumption, and further assuming that all eligible officers receive the credit, the total annual cost of credits provided under CB-008-2025 is estimated to be around \$125,000 under the 100% participation rate for Park Police. Council staff has sought confirmation from the Office of Finance, but they stated that they “do not have access to the personnel records of bi-county agencies and would have to rely on those agencies to inform us of who would be eligible for the credit”. Council staff has also sought confirmation from M-NCPPC of the accuracy of that number but has not received a response as of the date of this memorandum. There will also be an impact based on the WSSC officers that receive the credit, but as noted above, that should be significantly less than the Park Police.

- *Indirect Impact*

The enactment of CB-008-2025 may have a favorable indirect fiscal impact, to the extent that encouraging officers to own homes in the County provides ancillary public safety benefits. It may also be an incentive that improves M-NCPPC’s ability to attract and retain officers

- *Appropriated in the Current Fiscal Year Budget*

No.

Effective Date of Proposed Legislation:

The Act shall take effect forty-five (45) days after it becomes law.

¹⁰ [WSSC FY 2025 Approved Budget](#), page 11-1

If you require additional information or have questions about this fiscal impact statement, please contact me via phone or email.