



FREDERICK COUNTY COUNCIL

Local Government Fiscal and Policy Note

CONTACT INFORMATION AND GENERAL INSTRUCTIONS

Bill Number/Reference:	23-02
Bill Title:	Amend the Disabled Veterans Property Tax Credit
Local Government Agency:	Frederick County Finance Division
Prepared By:	Diane Fox
Title:	Director of Treasury
Phone Number:	301-600-1114
E-Mail Address:	dfox@frederickcountymd.gov
Due Date:	
Date Submitted:	

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Date:

Please respond to the questions below. If you prefer to provide responses or additional information in a separate file or document, send the file or document in a separate e-mail to rcherney@frederickcountymd.gov with the bill number/reference in the subject line.

1.	Describe the impact of this proposed legislation on your agency (operations, revenues, expenditures, etc). If there is no impact, please explain why.				
<p>The proposed legislation would remove the current five-year limit for surviving spouses from the Disabled Veteran Tax Credit. If the legislation is passed, a surviving spouse would be able to continue to receive the credit until they no longer qualify. A surviving spouse would no longer qualify if they remarry or no longer reside in the dwelling house that was owned by the disabled veteran at the time of the disabled veteran's death.</p> <p>In FY23 (the first year for the credit), we had 54 disabled veterans receive total credits of \$53,339.07. There were no credits granted to a surviving spouse. If we would see a surviving spouse apply and qualify for the credit, this proposed legislation would only have an impact on revenue after five years. There would be minimal impact to operations or expenditures for this legislation since staff would already be processing applications for the surviving spouses.</p>					
2.	Please indicate whether the proposed legislation will affect small businesses in Frederick County, and if it will, please provide any information you may have which could be useful in determining the economic impact on small businesses.				
<p>This legislation is not expected to impact small business because it applies to primary residence of individuals.</p>					
FISCAL IMPACT SUMMARY – SHOW (DECREASE) IN PARENTHESES					
REVENUES					
3.	Analysis of estimated increase (or decrease) in government revenues . Please estimate below any anticipated increase (or decrease) in revenues resulting from this legislation. Please be aware of any delayed effective dates in the bill or other factors that may cause revenue increases/decreases to begin in later years.				
Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
TOTAL \$	\$0	0	0	0	0
	Please explain how the above estimated increase(s) or decrease(s) were arrived at, including any calculations and/or assumptions made. Please also explain any variation if the revenue increase(s)/decrease(s) are not constant.				
<p>The proposed legislation would have no impact on revenue in FY24-28. An impact could be seen beginning in FY29 if we have surviving spouses apply and qualify for the credit. We have no way of estimating how many surviving spouses might qualify for the Disabled Veterans tax credit, when they would qualify, and how long they would continue to qualify.</p>					

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<u>EXPENDITURES</u>						
4.	Analysis of estimated increase (or decrease) in government expenditures . Please estimate below any anticipated increase (or decrease) in expenditures resulting from this legislation. Please be aware of any delayed effective dates in the bill or other factors that may cause expenditure increases/decreases to begin in later years.					
A. Salaries & Wages		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
FTE Employees - _____ # of positions Fringe Benefits						
TOTAL (Salaries, wages & benefits)		\$0	\$0	\$0	\$0	\$0
	Please provide an explanation of the need for the number and type of any personnel listed above, including (1) what specific provision(s) of the bill necessitate additional staff; (2) what the duties of each type employee will be; and (3) why existing personnel cannot absorb the additional work. Please also certify the wage/salary rate and % fringe rate (if differing rates apply) for each personnel classification.					
B. Other Operating Expenses		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Technical/Special Fees, Grants/Subsidies Communications-Phone, Postage Travel, Food, Auto, Fuel & Utilities Contractual Services Supplies Equipment-Replacement Equipment-Additional Land & Structures, Fixed Charges Other (Please Specify on Extra Page(s))						
TOTAL (Expenditures)		\$0	\$0	\$0	\$0	\$0
	On the next page, please provide brief descriptions/breakdowns of the above “Other Operating Expenses.”					
	Please explain below any additional calculations or assumptions made in estimating the “Other Operating Expenses” that will help us to understand the amounts and timing of the expenses.					
We do not foresee any additional staff time or other operating expenses for the proposed legislation.						

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4. (cont'd)

C. Operating Expense Descriptions/Breakdowns

Please provide below a short description of the specific purpose of each expense listed under 4B. If any amount(s) listed under 4B represent(s) a total of multiple expenses, provide a breakdown of the fiscal 2021 amount with a short description of each expense (for example, if \$2,500 is listed for Communications – Phone, Postage, a statement such as “\$1,500 for cellphone charges for two new inspectors and \$1,000 for postage for mailings to permittees to notify them of changes to inspection requirements.”)

Fiscal 2022 Expenditures

Technical/Special Fees, Grants & Subsidies description/breakdown	\$
Communications – Phone, Postage description/breakdown	\$
Travel, Food, Auto Operations, Fuel & Utilities description/breakdown	\$
Contractual Services description/breakdown	\$
Supplies description/breakdown	\$
Equipment-Replacement description/breakdown	\$
Equipment-Additional description/breakdown	\$
Land & Structures, Fixed Charges description/breakdown	\$
Other (Please Specify) description/breakdown	\$

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ADDITIONAL POLICY IMPLICATIONS/CONCERNS

Additional Information:

Credit Effective July 1, 2022

FY23 Participants: 54

Total Credit: \$53,339.07

Original Prediction of Participation: 1,596 participants with total credits of \$1,908,183