

**Department of Legislative Services**  
Maryland General Assembly  
2001 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 545

(Harford County Senators)

Budget and Taxation

Ways and Means

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**Harford County - Municipal Property Tax - Tax Credits for Members of  
Volunteer Fire Companies and Ambulance Companies**

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This bill authorizes Harford County municipalities to grant a municipal real property tax credit for property owned or occupied by a member of a volunteer fire or ambulance company or member of the ladies' auxiliary of a volunteer fire or ambulance company.

The bill is effective June 1, 2001 and applicable to tax years beginning after June 30, 2001.

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**Fiscal Summary**

**State Effect:** None. The bill does not provide a State property tax credit.

**Local Effect:** Potential revenue decrease for Harford County municipal corporations.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Generally, all real property is subject to State and local property taxes. The real property tax rate for property located within an incorporated municipality varies because municipal governments establish their own tax rates.

All three Harford County's incorporated municipalities have charter provisions which grant real property tax exemptions to members of a volunteer fire company. Both Aberdeen and Havre de Grace provide a \$10,000 exemption and Bel Air grants a \$2,000 exemption.

**Local Revenues:** Municipal property tax revenues could decrease if the municipalities decide to grant the tax credits. Assuming a constant tax rate, that the municipalities grant a 100% tax credit, and that eligible individuals live in homes of average values for the municipality, the revenue loss for each eligible property would be as shown in **Exhibit 1**.

**Exhibit 1**

	<b>Aberdeen</b>	<b>Bel Air</b>	<b>Havre de Grace</b>
Average Value of Owner-Occupied Property	\$143,580	\$189,680	\$133,140
Real Property Tax Rate	\$0.512	\$0.440	\$0.620
Revenue Loss Per Credit	\$735	\$835	\$825
Current Exemptions Granted	54	35	125
Revenue Loss	<b>\$36,925</b>	<b>\$28,500</b>	<b>\$95,375</b>

The actual revenue loss would depend on the assessment of the property for which the credit is granted, the applicable tax rate, and the duration of the credit. Each of the municipalities has indicated that they would not grant a 100% tax credit but would try to maintain a credit similar to the cost of the current exemptions granted.

**Additional Information**

**Prior Introductions:** SB 263 passed during the 2000 session authorizing the municipalities in Cecil County to grant a similar property tax credit.

**Cross File:** HB 214 (Harford County Delegation – Ways and Means) is identified as a cross file although it is different.

**Information Source(s):** Department of Assessments and Taxation, Town of Bel Air, City of Havre de Grace, City of Aberdeen, Harford County, Department of Legislative Services

**Fiscal Note History:** First Reader – March 12, 2001  
 cm/jr Revised – Senate Third Reader – March 27, 2001

Analysis by: Karen S. Benton

Direct Inquiries to:  
 John Rixey, Coordinating Analyst  
 (410) 946-5510  
 (301) 970-5510

