

Department of Legislative Services  
Maryland General Assembly  
2017 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 681 (Allegany County Delegation)  
Ways and Means

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Allegany County - Property Tax Credit - Frostburg Museum Association

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This bill requires Allegany County and municipalities in the county to grant a property tax credit for property that is owned by the Frostburg Museum Association.

The bill takes effect June 1, 2017, and applies retroactively to taxable years beginning after June 30, 2016.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Local property tax revenues decrease by \$3,500 annually in Allegany County and by \$2,600 annually in the City of Frostburg. The revenue decrease begins in FY 2017. Local expenditures are not affected. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** Exhibit 1 lists the current mandatory and optional property tax credits in Allegany County. The estimated county revenue loss due to these existing property tax credits totals approximately \$325,000 in fiscal 2016. Allegany County will collect approximately \$40.9 million in property tax revenues in fiscal 2016.

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**Exhibit 1**  
**Allegheny County Property Tax Credits**

**Optional**

Frostburg Community Hospital  
Western Maryland Scenic Railroad  
Frostburg Lions Club  
La Vale Lions Club Foundation  
Carver Community Center  
Cumberland Cultural Foundation/ Gilchrist Museum  
Allegheny County Agricultural Expo  
Allegheny County Building Trades Education Foundation  
Bell Tower Building  
Cumberland Outdoor Club  
Public industrial park owned/ managed/operated by a 501(c)(6)  
Property subdivided for future residential development

**Mandatory**

Personal property owned by NPO TV broadcast translator station  
South Cumberland Business and Civic Association  
Bona fide labor union  
Real property leased by religious organization to La Vale Athletic Association  
Improvements to certified historical/agriculturally significant real property  
Cresaptown Civic Improvement Association  
Potomac Park Citizens Committee

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**Local Fiscal Effect:** Allegheny County indicates that the Frostburg Museum Association owns one property in the City of Frostburg that will eventually become the site of the Frostburg Museum. This building is currently undergoing renovations to accommodate the eventual hosting of the museum. The State Department of Assessments and Taxation advises that the fiscal 2017 assessment of the building totals \$410,700. As a result of the property tax credit under the bill, county property tax revenues will decrease by \$3,503 annually beginning in fiscal 2017 due to the bill's retroactive provision, and property tax revenues for the City of Frostburg will decrease by \$2,628 annually. This estimate is based on a county property tax rate of \$0.853 and a municipal property tax rate of \$0.64.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 592 (Senator Edwards) - Budget and Taxation is identified as a cross file; however, the bills are not identical.

**Information Source(s):** Allegany County; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 2017  
fn/hlb

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