

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1096
Ways and Means

(Delegate Nawrocki, *et al.*)

Budget and Taxation

Baltimore County - Property Tax Exemption - Real Property Owned by Fire
Company or Rescue Squad

This bill alters a property tax exemption for real property owned by an incorporated, nonprofit fire company or rescue squad in Baltimore County. The bill specifies that the exemption only applies if the real property owned by an incorporated, nonprofit fire company or rescue squad (1) is actually used exclusively for the purposes of the fire company or rescue squad; or (2) is not used for any purpose but will be actually used exclusively for the purposes of the fire company or rescue squad in the future. **The bill takes effect June 1, 2023, and applies to taxable years beginning after June 30, 2023.**

Fiscal Summary

State Effect: Annuity Bond Fund (ABF) revenues will not be significantly affected by the expansion of the existing property tax exemption for nonprofit fire companies and rescue squads in Baltimore County. Expenditures are not affected.

Local Effect: Baltimore County property tax revenues will not be significantly affected by the expansion of the existing property tax exemption for nonprofit fire companies and rescue squads located in the county. Expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Current Law: Property owned by an incorporated, nonprofit fire company or rescue squad is not subject to property tax provided that the property is necessary for and actually used exclusively for the purposes of the fire company or rescue squad. This includes

property that is: (1) used for training or fund raising at carnivals or bazaars; (2) held in an advanced land acquisition program of the fire company or rescue squad; (3) leased for not more than 60 days during any 12-month period, if the property is used for a purpose that is related to the purposes of the fire company or rescue squad and the rent that is received from the property is used exclusively for the purposes of the fire company or rescue squad; (4) leased to any nonprofit organization, if the property is used for a purpose that is related to the purposes of the fire company or rescue squad and the rent that is received from the property is used exclusively for the purposes of the fire company or rescue squad; or (5) used as a residence for an individual who is (a) responsible for taking care of property owned by the fire company or rescue squad; (b) a member of the fire company or rescue squad; (c) not an employee of the fire company or rescue squad; and (d) not under an obligation to pay for the use of the property.

Major Property Tax Exemptions

The major exemptions from the local property tax are local, State, and federal government property; property of religious organizations; cemeteries and mausoleums; nonprofit hospitals; portions of continuing care facilities for the elderly; property of charitable, fraternal, and educational institutions; property used for national defense or military housing; property of national veterans' organizations; homes of disabled veterans and the blind (partial exemption), or a surviving spouse of either; property of historical societies and museums; property owned by certain taxpayers engaged in building, operating, and managing nonprofit multifamily units, subject to local government approval; and property owned by fire companies, rescue squads, community water corporations, and housing authorities.

A comprehensive overview on exempt property in Maryland can be found in Chapter 3 of the [*Guide to the Property Tax Structure in Maryland*](#).

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Baltimore County; Department of Legislative Services

Fiscal Note History:
km/hlb

First Reader - March 5, 2023

Third Reader - March 29, 2023

Revised - Amendment(s) - March 29, 2023

Analysis by: Michael Sanelli

Direct Inquiries to:

(410) 946-5510

(301) 970-5510