

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

House Bill 1304 (Delegate Linton)  
Ways and Means

Referred to Budget and Taxation

Property Tax Exemptions - Privately Owned Public Use Airports

This enrolled bill exempts from the State property tax real property which is privately owned and has an airport used by the public. The exemption only applies to improved property used for a landing area and any other property designated by the Maryland Aviation Authority as required to meet minimum safety standards, and only applies to the extent that the local tax credit has been granted. This bill also extends the local optional exemption to include approach zones and taxiways.

This bill is effective July 1, 1996, and applies to all taxable years beginning after June 30, 1996.

Fiscal Summary

**State Effect:** Special fund revenues could decline by approximately \$2,500 annually beginning in FY 1997. Expenditures would not be affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$0	\$0	\$0	\$0	\$0
SF Revenues	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
GF Expenditures	0	0	0	0	0
Net Effect	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

**Local Effect:** Local revenues could decline an indeterminate amount, depending on whether local governments authorize the local credit. Expenditures would not be affected.

## Fiscal Analysis

**State Revenues:** Annuity bond fund revenues could decline by an estimated \$2,500 in fiscal 1997. Ten airports in the State have been identified as being located in counties which grant the local exemption and therefore are eligible for the exemption from the State property tax. Assuming that half of the land value and all the value of any improved landing area is eligible for the exemption, about \$1.2 million of tax base would be exempt, resulting in a \$2,500 revenue loss, at the State rate of \$0.21 per \$100 of assessed value.

**Local Revenues:** To the extent that local governments extend the property tax exemption to approach zones and taxiways local tax revenues would decline. Any such decline cannot be reliably estimated at this time.

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**Information Source(s):** Department of Assessments and Taxation, Department of Fiscal Services

**Fiscal Note History:** First Reader - March 8, 1996  
ncs Revised - House Third Reader - March 22, 1996  
Revised - Enrolled Bill - May 17, 1996

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