

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 208 (Somerset County Delegation)
Commerce and Government Matters

Somerset County - Private Sale of Property - Carvel Hall

This bill authorizes the Somerset County Commissioners to sell the property known as Carvel Hall at a private sale to any person. This bill is effective July 1, 1996.

Fiscal Summary

State Effect: None.

Local Effect: Somerset County revenues could increase by \$45,000 when the property is sold and then decrease by \$10,000 annually thereafter due to the loss in lease revenues. Sale proceeds would be used to pay debt service costs that are owed on the property.

Fiscal Analysis

Local Effect: Since the Carvel Hall property is valued at approximately \$45,000, Somerset County revenues could increase by this amount when the property is sold. After the sale, the county would also collect property tax revenues on the property. At a property tax rate of \$2.15 per \$100 of assessable base, the county would receive \$968 annually in property taxes. This property tax revenue increase, however, would be offset by a loss in lease revenues. The county currently leases the property to a business for \$11,000 annually. Accordingly, the net annual revenue loss would be \$10,032.

The revenue generated from the sale proceeds and property taxes would be used to partially pay the debt service costs that are owed on the current property. In addition, the cost of conducting the sale would be minimal and could be absorbed with the county's existing resources. Since the county does not pay for maintenance costs on the property, expenditures would not be affected by the sale.

Information Source(s): Somerset County, Department of Fiscal Services

Fiscal Note History: First Reader - January 29, 1996

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