

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1090 (Frederick County Delegation)
Ways and Means

Frederick County - Property Tax Credit - Leased Property Used for Educational Purposes

This bill allows Frederick County or any municipality in the county to grant a property tax credit against county or municipal taxes imposed on real property leased to a nonprofit school and used exclusively for primary or secondary educational purposes.

This bill is effective July 1, 1997.

Fiscal Summary

State Effect: None.

Local Effect: Indeterminate effect on Frederick County finances in FY 1998 as discussed below.

Small Business Effect: Potential meaningful impact on small businesses as discussed below.

Fiscal Analysis

Local Revenues: Frederick County's property tax rate is \$2.26 per \$100 of assessed value, and municipal rates range from \$0.10 per \$100 of assessed value in Rosemont to \$1.61 per \$100 assessed value in the City of Frederick. To the extent that Frederick County and municipalities in the county choose to grant tax credits as authorized by this bill, local revenues would decrease. The decrease depends on the amount of any credits authorized, the number and values of eligible properties, and the county and municipal tax rates. Neither the Department of Assessments and Taxation or Frederick County were able to provide the Department of Fiscal Services with specific information regarding the number and assessed

values of properties that could qualify for this tax credit.

Small Business Effect: Nonprofit schools in Frederick County could benefit if the county or municipalities in the county choose to grant the credits authorized by this bill. Any specific impact cannot be reliably estimated at this time.

Information Sources: Department of Assessments and Taxation, Frederick County,
Department of Fiscal Services

Fiscal Note History: First Reader - March 4, 1997
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Analysis by: Ryan Bishop
Reviewed by: John Rixey

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 841-3710
(301) 858-3710