

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 272 (Allegany County Delegation)
Ways and Means

**Allegany County and City of Cumberland - Property Tax Credit - Rehabilitated
Property**

This bill amends current law to allow Allegany County to grant a property tax credit against county property taxes for rehabilitated property. Current law authorizes the City of Cumberland to grant such credits against the municipal property tax. The bill also specifies that any credit granted by the county or the City of Cumberland may not continue more than ten years after completion of the property rehabilitation.

This bill is effective July 1, 1997.

Fiscal Summary

State Effect: None.

Local Effect: Indeterminate reduction in Allegany County property tax revenues in FY 1998 as discussed below. Expenditures would not be affected.

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

Fiscal Analysis

Local Revenues: Under current law, the City of Cumberland may grant a property tax credit for up to three years for property that is rehabilitated under local regulations; however, there is no property in Cumberland that currently receives this property tax credit. This bill extends a potential credit to a maximum of ten years in length, and allows the county to provide a similar credit against county property taxes.

The Allegany County property tax rate for unincorporated areas is \$2.47 per \$100 of assessed

value, the county tax rate for Cumberland is \$2.26, and the city tax rate is \$2.62. The effect of this bill depends on the assessed value of property for which the credit is granted.

Small Business Effect: Small businesses in Allegany County who own property that has been rehabilitated and qualifies for the credit could benefit if the county chooses to grant the credit. Any specific impact cannot be reliably estimated at this time.

Information Sources: Department of Assessments and Taxation, Allegany County, City of Cumberland, Department of Fiscal Services

Fiscal Note History: First Reader - March 4, 1997

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