

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE  
Revised

House Bill 311 (Delegates Clagett and Leopold)  
Ways and Means

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**Property Tax Credit - Installation of Fire Sprinkler Systems**

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This bill authorizes Baltimore City, a county, or a municipality to grant a tax credit against county or municipal property taxes imposed on real property improvements if a complete automatic fire protection sprinkler system is installed in the improvements. A system must be installed in accordance with accepted codes and standards established by the Maryland State Fire Prevention Commission. The local jurisdiction may provide for the amount and duration of a credit, the criteria and qualifications necessary to receive a credit, and the application of a credit to existing automatic fire protection sprinkler systems.

This bill is effective July 1, 1998.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Potential minimal decrease in revenues beginning in FY 1999. Expenditures would not be affected.

**Small Business Effect:** Potential minimal impact on small businesses. Because this bill is enabling in nature, small businesses would not be directly affected. Small businesses in local jurisdictions that grant these property tax credits, however, would realize a decrease in the amount of local property taxes paid. Any specific decrease will depend on the value of property improvements eligible for a credit and the local jurisdiction's tax rate.

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## Fiscal Analysis

**Local Revenues:** Revenues could decrease for those local jurisdictions that grant the property tax credits authorized by this bill. Any decrease in revenues will depend on the value of improvements to eligible properties, the application of any credits to existing sprinkler systems, and the tax rates of local jurisdictions that grant these credits. Any specific impact cannot be reliably estimated at this time, but is assumed to be minimal.

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**Information Sources:** Department of Assessments and Taxation, Baltimore County, Town of Thurmont, City of Bowie, Department of Legislative Services

**Fiscal Note History:** First Reader - February 13, 1998  
ncs Revised - House Third Reader - March 23, 1998  
Revised - Enrolled Bill - May 5, 1998

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