

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1116 (Delegate Boston)

Ways and Means

Taxes - Property of Housing Authorities

This emergency bill exempts any property used as housing for persons of eligible income that is owned by an “entity related to an authority” from taxes and special assessments of the State or any political subdivision of the State. An entity related to an authority is an entity that is wholly owned by a housing authority or an entity in which an authority or an entity wholly owned by an authority has an ownership interest. In lieu of such taxes and special assessments, the entity must make payments to the local government in an amount set by mutual agreement. Under current law, only the property of an authority or of a nonprofit housing corporation is exempt from such taxes and special assessments.

Fiscal Summary

State Effect: Indeterminate decrease in revenues. Expenditures would not be affected.

Local Effect: Indeterminate decrease in revenues. Indeterminate effect on expenditures for public housing.

Small Business Effect: None.

Fiscal Analysis

State Revenues: State revenues would decrease to the extent that there are entities that would be exempt from the State property tax under the bill. According to the Department of Assessments and Taxation, the number of such properties is not known at this time.

Local Effect: Local property tax revenues would decrease to the extent that there are entities that would be exempt from local property taxes under the bill. Any such revenue decreases could be at least partially offset depending on the agreement between an entity related to an authority and the local government for payment in lieu of taxes (PILOT). As a point of reference, the Montgomery County Housing Opportunities Commission advises that it pays \$150,000 to \$200,000 annually in State and local taxes that may be affected by the bill.

Baltimore City advises that the bill would assist the City's housing authority in finding alternative means to offer public housing through joint ventures with related entities. Thus, the bill would have an indeterminate effect on local expenditures for public housing.

Information Source(s): Department of Assessments and Taxation; Department of Housing and Community Development; Baltimore City; Dorchester, Garrett, Montgomery, and Prince George's counties

Fiscal Note History: First Reader - March 9, 1998

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