

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 447 (Delegates Rosenberg and C. Mitchell)

Ways and Means

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**Property Tax Credit - Renovations to Residential Buildings for Computer  
and Telecommunications Systems**

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This bill authorizes local governments to grant a property tax credit against county or municipal property taxes imposed on a residential building located in a Neighborhood Business Development Program area to which qualifying renovations have been made to meet state-of-the-art communications and utility standards. These standards are for accommodating advanced computer and telecommunications systems, which include fiber-optic cable, emergency electrical capacity, and emergency backup power. Any credit awarded may not exceed 10% of the cost of renovations to a residential building or the county or municipal property tax otherwise due that taxable year, whichever is less. Any credit awarded may not be granted for more than 10 years.

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. Since 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 property eligible for a credit and the 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 renovation costs and property values for eligible properties in local jurisdictions that grant these credits, and the tax rates of those jurisdictions. Any specific impact cannot be reliably estimated at this time. The authorization for local governments to provide these credits for improvements to commercial buildings was established by Chapter 289 of 1996, but no information on the number and amount of credits that may have been awarded is currently available.

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**Information Sources:** Department of Assessments and Taxation; Anne Arundel, Garrett, and Montgomery counties; Baltimore City; Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 1998

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