

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE

Senate Bill 324 (Senator Middleton)

Budget and Taxation

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**Charles County - Property Tax and Recordation Tax - Rental Dwellings Converted to Owner-Occupied Dwellings**

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This bill enables Charles County to grant a property tax credit and an exemption from the recordation tax for residential real property that is located in a designated targeted area and has been converted from a rental dwelling to an owner-occupied dwelling. The governing body of Charles County is authorized to determine the criteria, eligibility, and amounts of the tax credits and exemptions.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Indeterminate decrease in Charles County revenues. Expenditures would not be affected.

**Small Business Effect:** None.

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**Fiscal Analysis**

**Local Revenues:** There are approximately 5,500 residential properties in Charles County that are not owner-occupied. The median full cash value of these properties is \$114,000 and the median assessment is \$45,600. Charles County's property tax rate is \$2.44 per \$100 of assessed value and the county's recordation tax is \$5 per \$500 of consideration. The following table shows the projected revenue loss for the median residential property if granted a full credit and exemption.

<b>Property Tax</b>	<b>Recordation Tax</b>
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\$1,113	\$1,140
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The actual decrease in county revenue will depend upon the number of properties qualifying for a tax credit or exemption, the property values, the amount of the tax credit and exemption, and the scope of the designated targeted areas.

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**Information Source(s):** Department of Assessments and Taxation, Department of Legislative Services

**Fiscal Note History:** First Reader - March 15, 1999

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