

Department of Legislative Services  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

Senate Bill 640 (Senator Baker)

Budget and Taxation

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**Cecil County - Property Taxes - Collection**

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This bill authorizes municipal corporations in Cecil County to set by law the interest rate for overdue property taxes not to exceed 1% per month. The bill provides that the fee assessed by Cecil and Carroll counties for the collection of property taxes on behalf of other taxing agencies is discretionary. The bill makes numerous minor changes to the Cecil County public law including, at the request of a municipality, that the Cecil County Treasurer shall collect and remit to a municipality any reasonable fees and charges imposed by the municipality.

The bill is effective June 1, 2000.

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**Fiscal Summary**

**State Effect:** The bill would not directly affect State operations or finances.

**Local Effect:** Increase in revenues for all municipal corporations in Cecil County of approximately \$1,000 annually. No effect on expenditures.

**Small Business Effect:** Potential minimal.

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**Analysis**

**Current Law:** Municipal corporations in Cecil County are now authorized to charge an interest rate not to exceed 2/3% per month. Cecil County is authorized to charge an interest rate not to exceed 1% per month.

**Background:** Cecil County has indicated that this bill is intended to make changes necessary to allow the county to bill for property taxes on behalf of the municipal

corporations.

**Local Revenues:** The increase in allowable interest charges from 2/3% to 1% per month could increase municipal revenues minimally. The increase in interest charges for total outstanding property tax assessments as of July 1, 1999, for each municipal corporation in Cecil County is below. This calculation is based on an average outstanding tax liability of approximately 40 days.

<u>Municipality</u>	<u>Outstanding at 7/1/99</u>	<u>Increased Interest Revenue</u>
Cecilton	\$8,860	\$40
Chesapeake City	21,240	93
Elkton	96,164	423
North East	51,617	227
Charlestown	13,800	60
Rising Sun	8,184	36
Port Deposit	20,700	90
Perryville	16,280	72
<b>Total</b>	<b>\$236,845</b>	<b>\$1,041</b>

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 13, 2000  
drg/jr

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