

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1251 (Calvert County Delegation)

Ways and Means

Calvert County - Special Taxing Districts - Developing and Financing Infrastructure Improvements

This bill authorizes Calvert County to create special taxing districts for developing and financing infrastructure improvements. The county may impose ad valorem or special taxes and issue bonds or other obligations to finance the improvements projects.

Fiscal Summary

State Effect: None.

Local Effect: Calvert County could realize an increase in revenues due to the collection of special taxes and an increase in expenditures due to the financing of infrastructure improvements. The net impact would be negligible since special tax revenue would be used to finance improvements.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Special tax districts may be established in Anne Arundel, Charles, Garrett, Howard, Prince George's, Washington, and Wicomico counties. Calvert County does not have this authority.

Background: The Calvert County Department of Economic Development advises that the authority to create special taxing districts would be used for commercial properties only, and would most likely be established initially in Prince Frederick to finance road improvements. A special taxing district may eventually be created in Dunkirk as well. The specifics of the

taxing districts, how they might work and what projects might be funded, would be researched by the department if the bill passes.

Local Fiscal Effect: If Calvert County creates special taxing districts, expenditures to finance infrastructure improvements could increase. The expenditure increase would depend upon the number of special taxing districts established and the number and types of improvement projects funded within the districts. The county would offset the costs associated with infrastructure restorations through ad valorem or special taxes or bond sales. The potential revenue increases would depend on the types of taxes levied and the proceeds generated through bonds. The county advises that it would probably keep a 1% administrative fee on taxes collected and that the rest would be used exclusively for infrastructure improvements within the special taxing districts. Therefore, the net impact of the bill is negligible.

Small Business Effect: To the extent that the creation of special taxing districts allows Calvert County to finance infrastructure improvement projects, small businesses contracting with the county to design and construct the improvements could benefit. The special taxing districts will focus on commercial property and would have the private sector as the expected beneficiaries of any improvements. For example, if a special taxing district in Prince Frederick created easier access to the town's commercial center, businesses in the area could profit from an increase in traffic.

Additional Information

Prior Introductions: This bill was introduced in 1998 as HB 900, which passed the House but was not reported out of the Senate Budget and Taxation Committee.

Cross File: None.

Information Source(s): Calvert County, Department of Legislative Services

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