

Department of Legislative Services  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 874 (Senator Lawlah)

Budget and Taxation

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**Property Tax Credit - Dental Equipment in Underserved Areas**

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This bill authorizes the counties, Baltimore City, or a municipal corporation to grant a property tax credit against the county or municipal property tax on personal property used in practicing dentistry in a geographic area designated by the Secretary of Health and Mental Hygiene as being underserved by dentists.

The bill is effective July 1, 2000.

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**Fiscal Summary**

**State Effect:** The bill's requirements could be handled with existing budgeted resources.

**Local Effect:** Local governments' annual property tax revenues could decrease if the credit is granted.

**Small Business Effect:** Potential minimal.

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**Analysis**

**Current Law:** Generally, personal property of dentists is subject to local government property taxes.

**Background:** Most personal property of businesses is subject to local government property taxes. However, the State does have the authority to provide local property tax credits, either on a mandatory or enabling basis.

The Department of Health and Mental Hygiene (DHMH) does not designate areas underserved by dentists, although the department does have the information available. The

following areas are currently underserved: Allegany County, Baltimore City's homeless population, Caroline County, Western Charles County, and Somerset County. The State Board of Dental Examiners reports that there are 3,500 licensed dentists practicing in Maryland.

**Local Revenues:** Local government personal property tax revenues could decrease depending on whether the local government grants the credit and the amount and duration of the credit. The decrease would also depend on the number of areas designated by the DHMH as being underserved, the number of dentists located in those areas, and the value of the personal property owned by those dentists. For illustrative purposes only, the average property tax return submitted by dentists lists approximately \$35,000 of personal property. Applying a statewide average tax rate of \$2.31 per \$100 of assessment would result in a total personal property tax bill of \$809 annually.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** HB 1169 (Delegate V. Jones, *et al.*) - Ways and Means.

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

**Fiscal Note History:** First Reader - March 8, 2000  
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Analysis by: Karen S. Benton

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510