

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 196 (Delegate Bozman. *et al.*)
Ways and Means

Worcester County - Property Tax Credit - Pocomoke City Chamber of Commerce

This bill authorizes Worcester County or its municipalities to grant a property tax credit for property owned by the Pocomoke City Chamber of Commerce.

The bill is effective July 1, 2000.

Fiscal Summary

State Effect: None. This bill does not grant a property tax credit for State property taxes.

Local Effect: No net effect on Worcester County and minimal decrease in revenue for Pocomoke City of approximately \$860 annually.

Small Business Effect: Minimal for the Pocomoke City Chamber of Commerce only.

Analysis

Current Law: The Pocomoke City Chamber of Commerce is subject to real and personal property taxes.

The Worcester County real and personal property tax rate is \$1.72 per \$100 of assessed value. The Pocomoke City real and personal property tax rate is \$1.80 per \$100 of assessed value with an exemption for the first \$100,000 of personal property.

Background: The Pocomoke City Chamber of Commerce, Inc., has real property valued at

\$118,800, with a \$47,520 assessment (40% of value), and personal property with a county assessment of \$900.

All businesses are subject to State, county, and potentially municipal real and personal property taxes. However, the State does have the authority to provide State and local property tax exemptions. Currently, there are numerous exemptions from taxation provided for in State law. For example, most property owned by religious organizations, governments, and fire and rescue squads are exempt from general property taxes.

Local Fiscal Effect: There would be no net effect on Worcester County finances. Currently, the county collects approximately \$830 in real and personal property taxes from the Pocomoke City Chamber of Commerce. However, the county annually provides them a grant in an amount equal to the property taxes paid. The exemption would decrease the county's revenues by approximately \$830 and their expenditures would decrease by the same amount because the county has indicated that the grant would no longer be provided.

Pocomoke City revenues would decrease by approximately \$860 in real property taxes. There would be no decrease in the personal property tax because the city provides an exemption for the first \$100,000 of personal property and the Chamber of Commerce only has personal property valued at \$900.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Assessments and Taxation, Worcester County, Pocomoke City, Department of Legislative Services

Fiscal Note History: First Reader - January 31, 2000
drg/jr Revised - Enrolled Bill - April 10, 2000

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