

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1126 (Delegate Hill)

Ways and Means

Property Tax Credit - Vacant Commercial Buildings

This bill authorizes the counties, Baltimore City, and municipal corporations to grant a local property tax credit on corporate real property containing a vacant commercial building that is substantially renovated for new productive use. The local government may determine the duration and amount of the credit, eligibility criteria, and provisions for payment in lieu of taxes by the recipient of the credit.

Fiscal Summary

State Effect: None. This bill does not provide a State property tax credit.

Local Effect: Potential decrease in local government property tax revenues if the local government participates in the tax credit program.

Small Business Effect: Potential minimal. The benefit for small businesses depends on the number of small businesses that own vacant commercial buildings and their degree of participation with the program.

Analysis

Current Law: Chapter 351 of 1999 provided local governments with the authority to grant local property tax credits for vacant or underutilized commercial buildings that are renovated for use primarily as housing.

Background: This bill is similar to the tax credits enacted in Chapter 351 of 1999 except that this bill would not restrict the renovations to use as housing. The renovations would only need to bring the building back to productive use. Legislation enacted in 1998 provided a similar tax credit in Baltimore City for vacant and underutilized buildings that are under a development plan.

Local Fiscal Effect: Local government revenues could decrease to the extent that vacant corporate-owned commercial buildings are renovated for productive use and the extent of the credit provided by the local government, if any. Any decrease in revenues would depend on the amount of eligible property, any differences in the assessments of properties before and after any renovations, the local government's property tax rate, and any agreed upon payments in lieu of taxes. The number of buildings affected by this bill is unknown.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Assessments and Taxation, Anne Arundel County, Garrett County, Montgomery County, Prince George's County, Department of Legislative Services

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