

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Senate Bill 306 (Senator Baker)

Budget and Taxation

Cecil County - Municipal Corporation Property Tax - Interest Rates

This bill authorizes any municipal corporation in Cecil County to set by law the interest rate for overdue property taxes not to exceed 1% per month.

The bill is effective July 1, 2000.

Fiscal Summary

State Effect: None. This bill would not directly affect State operations or finances.

Local Effect: Minimal increase in revenues for all municipal corporations in Cecil County of approximately \$1,000 annually.

Small Business Effect: Potential minimal.

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 all the interest rates charged throughout the county the same, which will allow the county to bill 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 set forth 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
Total	\$236,845	\$1,041

Additional Information

Prior Introductions: None.

Cross File: None.

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

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cm/jr

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