

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 507 (Senator Ruben. *et al.*)

Budget and Taxation

Property Tax Credits - Rehabilitated Real Property

This bill authorizes a county, municipality, or Baltimore City to establish a property tax credit for real property that has been rehabilitated under regulations adopted by the local government. The amount and duration of the credit may be established by the local government but cannot exceed the amount of the increase in property tax attributable to an increase in the assessment from before the rehabilitation and also cannot exceed ten years. The bill is effective July 1, 2000.

Fiscal Summary

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

Local Effect: Potential minimal decrease in annual municipal property tax revenues.

Small Business Effect: Potential minimal.

Analysis

Current Law: Local governments are not currently authorized to provide property tax credits for real property that has been rehabilitated.

Background: Most real property is subject to State, county, and potentially municipal property taxes. However, the State does have the authority to provide local property tax credits, either on a mandatory or enabling basis.

Local Fiscal Effect: Local governments could potentially experience a loss in property tax revenues. However, it is anticipated that any such loss would be minimal. The local governments would only experience a loss to the extent that properties would have been

rehabilitated without a property tax credit as incentive. The actual revenue loss would depend on the number of properties rehabilitated, the increase in the property assessment, and the amount of credit provided by the municipalities.

Additional Information

Prior Introductions: None.

Cross File: HB 830 (Delegate Bozman, *et al.*) - Ways and Means.

Information Source(s): Department of Assessments and Taxation, City of Bowie, Town of Thurmont, City of Takoma Park, Department of Legislative Services

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