

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 808 (Delegate Edwards)

Ways and Means

Garrett County - Agricultural Land - Property Tax Credits

This bill authorizes Garrett County to grant a property tax credit against county property taxes for agricultural land located in an agricultural land preservation district. The county may provide that if the property owner subsequently withdraws the property from the preservation district, the owner would be liable for all taxes that would have been paid without the credit and interest at a rate set by the county.

The bill is effective July 1, 2000.

Fiscal Summary

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

Local Effect: Garrett County property tax revenues could decrease by approximately \$14,000 annually.

Small Business Effect: Potential minimal.

Analysis

Current Law: Agricultural real property is generally subject to property taxes. Agricultural products and personal property are exempt from taxation. Garrett County's property tax rate is \$2.59 per \$100 of assessed value.

Background: The Maryland Agricultural Land Preservation program was created by the General Assembly to preserve productive agricultural land and woodland, to limit the extent

of urban development, and to protect agricultural land and woodland as open space. The Maryland Agricultural Land Preservation Foundation, with the assistance of local government and landowners, promotes the creation of agricultural land preservation districts as a means of protection of the land.

Local Fiscal Effect: Currently, there are about 7,000 acres of agricultural land in land preservation districts within Garrett County. The average assessment is \$75 per acre. If there were no increase in the number of acres in the agricultural land preservation district and Garrett County granted a 100% tax credit, county property tax revenues could decrease by approximately \$13,598 annually. Any increase in the number of acres in agricultural land preservation districts as a result of this bill cannot be reasonably estimated at this time.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 7, 2000
nlr/jr

Analysis by: Karen S. Benton

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