

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 628 (Senator Colburn)

Budget and Taxation

Caroline County - Property Tax Credit - Habitat for Humanity, Incorporated

This bill authorizes Caroline County to grant a property tax credit on real property owned by Caroline County Habitat for Humanity, Inc (Habitat). Habitat must intend to relinquish ownership of the property in the immediate future and the property must be used exclusively for rehabilitation and transfer to a private owner. The property may not be occupied by administrative or warehouse buildings owned by Habitat. The bill also requires Habitat to submit annual reports to Caroline County documenting all its real property holding and all transactions involving its real property. The county may provide by law for the amount of, duration of, and any other provisions necessary for the credit.

The bill is effective July 1, 2000.

Fiscal Summary

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

Local Effect: Assuming that the county grants a 100% property tax credit, and based on eligible property currently owned by Habitat, Caroline County revenues could decrease by approximately \$1,000 annually.

Small Business Effect: Minimal. This bill will only affect the Caroline County Habitat for Humanity, Inc.

Analysis

Current Law: Generally, all real property is subject to State and local property taxes. The Caroline County property tax rate is currently \$2.38 per \$100 of assessed value for property located outside an incorporated municipality. The county real property tax rate for property located within an incorporated municipality varies.

Background: As of February 1, 2000, Habitat owned seven properties with a total assessment of \$50,850 that may qualify for the credit. Two of these properties are located in the Town of Denton and five are located in the Town of Federalsburg. The county real property tax rate for property located in these municipalities is \$2.08 per \$100 of assessed value.

Local Revenues: Caroline County revenues could decrease by approximately \$1,000 per year. However, the turnover of properties by Habitat is likely to be relatively high. The actual revenue loss will depend on the assessment of the property held by Habitat, the location of the property, and the applicable tax rate.

Additional Information

Prior Introductions: None.

Cross File: HB 618 (Delegate Eckardt, *et al.*) - Ways and Means.

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

Fiscal Note History: First Reader - February 28, 2000
cm/jr Revised - Senate Third Reader - March 23, 2000

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