

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE**

**Revised**

House Bill 584

(Washington County Delegation)

Ways and Means

Budget and Taxation

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**Washington County - Property Tax - Credits**

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This bill authorizes Washington County or its municipalities to grant a property tax credit on the principal residence of a volunteer firefighter, fire police, or emergency medical technician.

The bill is effective June 1, 2001 and applicable to tax years after June 30, 2001.

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**Fiscal Summary**

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

**Local Effect:** Washington County property tax revenues could decrease by \$425,400 annually. Washington County municipalities' property tax revenues could decrease.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Generally, all real property is subject to State and local property taxes. The real property tax rate for Washington County is \$0.948 per \$100 of assessed value. The real property tax rate for property located within an incorporated municipality varies because municipal governments establish their own tax rates.

## Local Revenues:

### *Washington County*

Washington County property tax revenues could decrease by approximately \$425,400. The average value of owner-occupied property in Washington County is \$98,870, the current property tax rate is \$0.948 per \$100 of assessed value, and the average tax bill is \$937. According to the county, the total number of firefighters, fire police, and emergency medical technicians is 757. Assuming that 60% are homeowners, the county could grant 454 credits annually. The actual loss in revenue would depend on the value of the properties owned by qualified individuals and the credit granted by the county.

### *Washington County Municipalities*

Washington County municipalities' property tax revenues could decrease depending on the number of firefighters, fire police, and emergency medical technicians that reside in the municipality, the value of the property, and the amount of the credit granted. The average value of owner-occupied property, tax rate, and average tax bill for each municipality in Washington County follows.

| <b>Municipality</b> | <b>Average Value of<br/>Owner-Occupied</b> | <b>Tax Rate<br/>(per \$100 of value)</b> | <b>Average Tax</b> |
|---------------------|--|--|--------------------|
| Boonsboro           | \$103,280                                  | \$0.240                                  | \$248              |
| Clear Spring        | \$72,390                                   | \$0.200                                  | \$145              |
| Funkstown           | \$79,625                                   | \$0.220                                  | \$175              |
| Hagerstown          | \$76,940                                   | \$0.692                                  | \$532              |
| Hancock             | \$64,820                                   | \$0.364                                  | \$236              |
| Keedysville         | \$108,220                                  | \$0.180                                  | \$195              |
| Sharpsburg          | \$106,860                                  | \$0.176                                  | \$188              |
| Smithsburg          | \$109,100                                  | \$0.280                                  | \$305              |
| Williamsport        | \$80,660                                   | \$0.400                                  | \$323              |

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## Additional Information

**Prior Introductions:** Chapter 68 of 2000 authorizes the municipalities in Cecil County to grant a similar property tax credit.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – February 20, 2001  
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