

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 37 (Chairman, Budget and Taxation Committee)
(Departmental – Assessments and Taxation)

Budget and Taxation

Ways and Means

Property Tax - Full Value Assessments

This departmental bill corrects and clarifies several statutes that were affected by Chapter 80 of 2000. That Act changed the State property assessment system from a fractional assessment to a full value assessment.

Most of the bill is effective June 1, 2001, and applicable to taxable years beginning after June 30, 2001. The remainder of the bill is effective July 1, 2001.

Fiscal Summary

State Effect: None. The bill corrects and clarifies current law.

Local Effect: None.

Small Business Effect: The Department of Assessments and Taxation has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Effective July 1, 2000, State property taxes are assessed at full value rather than the 40% for most real property prior to enactment of Chapter 80 of 2000. On October 1, 2000, real property tax rates were reduced to 40% of the rates effective on July 1, 2000. Property tax rates did not change for personal property and operating real

property of public utilities as these properties were assessed at full value prior to enactment of Chapter 80 of 2000.

Background: Chapter 80 of 2000 adopted a system of full value property tax assessment to replace the system of fractional assessment. Section 4 of the Act required the Department of Assessments and Taxation to identify any provisions of the Annotated Code or the Code of Public Local Laws that were rendered inaccurate or obsolete as a result of the Act and report its findings to the General Assembly by December 1, 2000. That report, dated November 28, 2000, outlined provisions that need to be corrected in order that the switch from fractional assessments to full value assessments remains revenue neutral and that there are no unintended consequences to any other programs.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader – January 15, 2001
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