

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 629 (Senator Currie)

Budget and Taxation

Ways and Means

Prince George's County - Property Tax Credit - Lake Arbor Foundation

This bill requires Prince George's County to grant a property tax credit against the property tax imposed on property owned by the Lake Arbor Foundation, Inc. for fiscal 2000. It also provides that the county must refund any property taxes and penalties paid by the Lake Arbor Foundation, Inc. for fiscal 2000.

The bill is effective June 1, 2001 and affects only the taxable year July 1, 2000 to June 30, 2001.

Fiscal Summary

State Effect: None. This bill does not require a refund of State property taxes.

Local Effect: Prince George's County property tax revenues will decrease by \$15,239 in fiscal 2000.

Small Business Effect: Significant impact on the Labor Arbor Foundation, Inc. only.

Analysis

Current Law: Chapter 50 of 2000 authorized Prince George's County to grant a property tax credit effective July 1, 2000 for property owned by the Lake Arbor Foundation, Inc. This credit is not mandatory and is up to the discretion of the county.

Background: Prince George's County did not grant the Lake Arbor Foundation, Inc. a property tax credit for fiscal 2000. According to the county, the foundation has not paid

its property taxes for fiscal 2000 and, at this time, is on the list of properties that may go to tax sale in May 2001 if the taxes are not paid by that time.

The Lake Arbor Foundation, Inc. was created to purchase and operate the Lake Arbor Community Youth Center in Prince George's County and to provide scholarships for local youth. In January 1999 the foundation purchased the Lake Arbor Golf Club which includes a swimming pool, tennis courts, and a club house. The center is intended to service the Lake Arbor community, comprising approximately 2,500 homes and a surrounding area with a population of 5,000.

Local Revenues: Prince George's County property tax revenues will decrease by \$15,239 in fiscal 2000 as a result of granting the Lake Arbor Foundation, Inc. a property tax credit for that year. Although the county has not actually collected the fiscal 2000 taxes it is assumed that if the tax remained due and unpaid that the county would sell the property at tax sale and collect \$15,239 at that time.

Additional Information

Prior Introductions: Chapter 50 of 2000 authorized Prince George's County to provide a property tax credit for property owned by the Lake Arbor Foundation, Inc.

Cross File: None.

Information Source(s): Department of Assessments and Taxation, Prince George's County, Department of Legislative Services

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