

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

Senate Bill 714

(Senator Colburn)

Education, Health, and Environmental Affairs

Commerce and Government Matters

County Commissioners - Shore Erosion Control - Annual Benefit Assessment

This emergency bill requires annual benefit assessments levied for shore erosion prevention projects in Carroll, Dorchester, St. Mary's, and Somerset counties to be paid in annual installments by property owners for 25 years, or any shorter time as directed by the county commissioners. The bill also provides that: (1) a default in payment of an annual benefit assessment is a first lien subject only to property taxes; (2) the lien established as an annual benefit assessment is not extinguishable by the sale of the property; (3) the purchaser of a benefited property must take ownership subject to any outstanding balance on the total benefit charge unpaid at the time of sale and must continue to pay the annual installment; and (4) payment of annual benefit assessments is required before recording a transfer of property.

Fiscal Summary

State Effect: None.

Local Effect: Carroll, Dorchester, St. Mary's, and Somerset counties may realize a potential increase in revenue through the ability to impose liens on properties that fail to pay the annual benefit assessment for shore erosion control projects. Any additional revenue is assumed to be minimal.

Small Business Effect: Minimal.

Analysis

Current Law: County commissioners, acting as the shore erosion district council, must determine the benefits accruing to each property in the assessment district where shore erosion prevention projects have been completed. The county commissioners must levy a benefit charge for each property to the extent it has benefited from the project in the form of a lien on the property to be paid annually through the county's property tax. The benefit assessments are payable in annual installments for a period of years equal to the period of maturity of the notes, certificates of indebtedness, or bonds which financed the erosion prevention work. Current law does not specify whether the sale of a property to a new owner extinguishes the obligation to pay the annual benefit assessment.

Background: The Department of Natural Resources (DNR) had a program that funded shore erosion prevention projects. The DNR program had regulations that prevented the loss of benefit assessments due to the sale of property. Counties affected by shore erosion began funding their own shore erosion prevention projects when the DNR program stopped providing funding to local projects. The bill's provisions provide commissioner counties the same authority to collect the assessment from new property owners by clarifying that the existing benefit assessment would not be extinguished with the sale of the property, but be transferred to the new property owner.

Additional Information

Prior Introductions: None.

Cross File: HB 224 (Dorchester County Delegation) – Commerce and Government Matters.

Information Source(s): Anne Arundel County, Cecil County, Garrett County, Calvert County, Dorchester County, Carroll County, Frederick County, Department of Legislative Services

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