

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 255 (Harford County Senators)
Budget and Taxation

**Harford County - Special Taxing Districts - Developing and Financing
Infrastructure Improvements**

This bill authorizes Harford County to create special taxing districts for developing and financing infrastructure improvements. The county may impose ad valorem or special taxes and issue bonds and other obligations to finance the improvement projects.

The bill is effective July 1, 2003.

Fiscal Summary

State Effect: None.

Local Effect: Harford County could realize an increase in revenues due to the collection of special taxes and an increase in expenditures due to the financing of infrastructure improvements. The net impact would be negligible since special tax revenue would be used to finance improvements.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Special taxing districts may be established in Anne Arundel, Calvert, Charles, Garrett, Howard, Prince George's, Washington, and Wicomico counties for the purpose of borrowing funds for developing and financing infrastructure improvements.

Harford County is a charter county. Charter counties have the authority to create special taxing districts, but do not have the authority to borrow funds for developing and

financing infrastructure improvements unless specified to do so in Article 24, Section 9-1301.

Background: Harford County advises that the authority to create special taxing districts would be used for general governmental services including, but not limited to, roads, schools, and libraries.

Local Fiscal Effect: If Harford County creates special taxing districts, expenditures to finance infrastructure improvements could increase. The expenditure increase would depend on the number of special taxing districts established and the number and types of improvement projects funded within the districts. The county would offset the costs associated with infrastructure restorations through ad valorem or special taxes or bond sales. The potential revenue increases would depend on the types of taxes levied and the proceeds generated through bonds. The county advises that it has not yet determined if it would charge an administrative fee on taxes collected.

Small Business Effect: To the extent that the creation of special taxing districts allows Harford County to finance infrastructure improvement projects, small businesses contracting with the county to design and construct improvements could benefit.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Harford County, Department of Legislative Services

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mf/hlb

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