

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 1376
Ways and Means

(Howard County Delegation)

Budget and Taxation

Howard County - Property Tax - Planned Development Land
Ho. Co. 20-04

This bill provides that for Howard County property tax purposes, a planned development land assessment is available to qualified land for a period of no more than 20 consecutive years.

The bill takes effect June 1, 2009 and applies to all taxable years beginning after June 30, 2009.

Fiscal Summary

State Effect: None.

Local Effect: Howard County revenues could increase by approximately \$81,500 annually beginning in FY 2010, increasing to \$108,700 in FY 2012.

Small Business Effect: Potential meaningful. Builders and developers who own land receiving a planned development land assessment would be required to pay higher property taxes.

Analysis

Current Law: There is no limitation on how long qualified land may receive a planned development land assessment.

Land qualified to receive a planned development land assessment must:

- be located in an area shown on a current master plan or a general or regional plan, or otherwise designated for planned development by a plan adopted by the county or municipal corporation that has planning or zoning jurisdiction over the land;
- be zoned in a classification that: (1) permits development only under the plans listed above; (2) requires a land use and comprehensive site development or subdivision plan, approved before development by the county or municipal corporation that has planning or zoning jurisdiction over the land, if those plans include: land use; utility requirements; highway needs; water and sewers; industrial uses; economic and job opportunities; and recreation and civic life; (3) requires the owner of the land to pay for or provide the following public facilities that are usually paid for or provided by a county or municipal corporation under other zoning classifications: streets and sidewalks; walkways; open spaces; parks; school sites; and other property needed for public use;
- except for intervening rights-of-way, easements, or grants for public or quasi-public uses, be contiguous tracts of land of not less than 500 acres owned by one or more persons; and
- be primarily undeveloped at the time the land is placed in the zoning classification.

The State Department of Assessments and Taxation is required to place a dual assessment, a preferential assessment, and a market assessment on all planned unit development land.

Local Fiscal Effect: There are currently 11 properties in Howard County that are receiving planned unit development (PUD) assessments. **Exhibit 1** shows the property owner, acreage, and the year the property was placed into a PUD. **Exhibit 2** shows the increase in local property tax revenues for Howard County resulting from the assessment limitation imposed by the bill for fiscal 2010.

Exhibit 1
Howard County PUDs, Owner, Acreage, and Year Placed into PUD

<u>Property Owner</u>	<u>Acreage</u>	<u>Year Placed Into PUD</u>
Oakland Ridge	16.853	1966
Howard Research and Development	45.638	1966
Howard Research and Development	1.95	1966
Howard Research and Development	26.55	1966
Howard Research and Development	50.935	1966
Howard Research and Development	2.134	1982
HRVC	.487	1991
Howard Research and Development	5.0784	1991
Howard Research and Development	46.329	1991
Howard Research and Development	7.239	1991
Howard Research and Development	266.9025	1999

Exhibit 2
Property Assessment Changes and Resulting Revenue Increase for Howard County Fiscal 2010

	<u>PUD Assessment</u>	<u>Market Value Assessment</u>	<u>Local Revenue Increase</u>
Oakland Ridge PUD	\$8,400	\$716,200	\$7,389
Howard Research and Development PUD	22,800	1,939,600	20,011
Howard Research and Development PUD	13,270	796,500	8,177
Howard Research and Development PUD	900	58,500	601
Howard Research and Development PUD	25,460	4,302,600	44,653
Howard Research and Development PUD	1,060	63,900	<u>656</u>
Total			\$81,488

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: **First Reader - March 18, 2004**

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