

**Department of Legislative Services**  
Maryland General Assembly  
2004 Session

**FISCAL AND POLICY NOTE**

Senate Bill 256

(Senator Hafer)

Budget and Taxation

Ways and Means

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**Allegany County - Property Tax Credit - Gilchrist Museum**

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This bill authorizes Allegany County and its municipalities to grant a property tax credit for property that is owned by the Cumberland Cultural Foundation and is known as the Gilchrist Museum.

The bill is effective June 1, 2004 and applies to all taxable years beginning after June 30, 2004.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Allegany County property tax revenues could decrease by about \$2,466 annually beginning in FY 2005. The City of Cumberland's property tax revenues could decrease by about \$2,150 annually.

**Small Business Effect:** Positive impact on the Cumberland Cultural Foundation only.

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**Analysis**

**Current Law:** Real and business personal property is generally subject to county and municipal property taxes. The Allegany County real property tax rate is \$1.00 per \$100 of assessed value and the City of Cumberland real property tax rate is \$0.872 per \$100 of assessed value.

**Background:** The Cumberland Cultural Foundation owns real property in the City of Cumberland in Allegany County. The assessed value for this property is \$246,600 in fiscal 2005 and \$247,260 in fiscal 2006. The foundation also owns personal property with an assessed value of \$1,530 in fiscal 2004.

**Local Revenues:** If Allegany County elected to provide a 100% property tax credit to the Cumberland Cultural Foundation, county property tax revenues would decrease by approximately \$2,466 annually beginning in fiscal 2005 and \$2,473 in fiscal 2006. Likewise, if the City of Cumberland elected to provide a 100% property tax credit, its property tax revenues would decrease by approximately \$2,150 annually in fiscal 2005.

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### **Additional Information**

**Prior Introductions:** A similar bill was introduced at the 2003 session as SB 274. The bill received a favorable report from the Senate Budget and Taxation Committee and was passed by the Senate. The House Ways and Means Committee took no action on the bill.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 17, 2004  
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