

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 1248
Ways and Means

(Delegate Vaughn, *et al.*)

Prince George's County - Property Tax Credit - Property Owned by a
Community Development Corporation

This bill authorizes Prince George's County to grant a property tax credit against the county property tax or special district tax for property that is: (1) owned by a nonprofit, tax exempt community development corporation qualified under Section 501(c) (3) of the Internal Revenue Code; (2) held for sale or future development; (3) unimproved; and (4) located in Prince George's County on Maryland Route 202 at the intersection with St. Joseph's Drive.

The bill takes effect June 1, 2004 and applies to all taxable years after June 30, 2004.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County property tax revenues would decrease depending on the assessment of the property. The county collects approximately \$13,190 in taxes for every \$1 million in assessed value.

Small Business Effect: None.

Analysis

Current Law: Prince George's County is authorized to grant a number of property tax credits, including property owned by the Chapel Hill Citizens Association, the Clinton Boys and Girls Club, the East Pines Citizens' Association, the Lions Club of Bowie, Prince George's Jaycees, the Suitland Civic Association, Prince George's County Parks

and Recreation Foundation, Freestate Riding Club, Inc., Prince George's County Boys and Girls Club, Inc., Lake Arbor Foundation, Inc., the George A. and Carmel Aman Memorial Trust, and Crescent Cities Charities, Inc.

Background: The bill may affect a portion of a real property account of 244 acres currently held by Rouse Teachers. A portion of this property is in the town of Glenarden. The current assessment is \$6,801,700 for the entire property. There is a proposal that a new owner will purchase this property and donate 20 acres to the community development corporation. The bill is intended to grant a property tax credit for those 20 acres.

Local Fiscal Effect: Prince George's County real property tax revenues would decrease as a result of the bill. The actual revenue loss resulting from the bill depends on the assessment of the property. Prince George's County imposes a general property tax rate as well as several special taxes. The Prince George's County general property tax rate is \$0.96; the Maryland-National Capital Park and Planning Commission rate is \$0.279; the Washington Suburban Transit Commission tax rate is \$0.026; and there is also a stormwater tax rate of \$0.054. All rates are based on \$100 of assessed value. As a result, for every \$1 million in assessed value, Prince George's County collects \$13,190 in property taxes.

Additional Information

Prior Introductions: None.

Cross File: SB 319 (Senator Exum) – Budget and Taxation.

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

Fiscal Note History: First Reader - February 17, 2004
mll/jr

Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510