

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1399 (Delegate Edwards)
Ways and Means

Garrett County - Property Tax Credit - Adventure Sports Center, Inc.

This bill authorizes Garrett County to grant, by law, a property tax credit on property owned by Adventure Sports Center, Inc. The county is authorized to set the amount and duration of the credit and to adopt any provision necessary to administer the credit.

The bill takes effect June 1, 2005 and applies to all taxable years beginning after June 30, 2005.

Fiscal Summary

State Effect: None.

Local Effect: Garrett County property tax revenues could decrease by approximately \$8,200 annually beginning in FY 2006. County expenditures would not be affected.

Small Business Effect: Minimal.

Analysis

Current Law: Garrett County is authorized to grant a property tax credit for: (1) property that is leased and occupied by the Grantsville Volunteer Fire Department and is used only for its purposes; (2) property owned by the Board of Governors of Garrett County Memorial Hospital and is undeveloped, for use by the hospital, or under a lease with the hospital to provide health care related services on a nonprofit basis; (3) property owned by Avilton Community Association; (4) agricultural land located in an agricultural land preservation district; and (5) property that is owned by the Garrett County,

Maryland, Community Action Committee, Inc. or by an entity in which the Garrett County, Maryland, Community Action Committee, Inc. has a controlling interest.

The county is required to grant a property tax credit to the (1) Carey Run Sanctuary; (2) Swanton Community Center; (3) Crellin Community Center; (4) Bittinger Community Center; and (5) Garrett County Agricultural Fair Association.

For fiscal 2005, the Garrett County real property tax rate is \$1.036 per \$100 of assessment.

Local Fiscal Effect: The State Department of Assessments and Taxation (SDAT) advises that Adventure Sports Center, Inc. owns two pieces of real property in Garrett County. One is a 17.48 acre parcel on Wisp Mountain and the other is a 1.00 acre parcel, also on Wisp Mountain. The current assessment on the properties is \$611,800 and \$175,000 respectively.

Assuming that Garrett County grants a 100% property tax credit, county property tax revenues could decrease by \$8,151, assuming a constant county tax rate and a constant assessment. To the extent that that county changes its property tax rate or if the assessment of the property changes, the associated revenue decrease would change accordingly.

SDAT also indicates that for fiscal 2004, Adventure Sports Center, Inc. had a personal property assessment of \$1,700. However, beginning in fiscal 2005 business personal property will not be taxed in Garrett County.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 22, 2005
mp/hlb

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