

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 502
Ways and Means

(Cecil County Delegation)

Budget and Taxation

Property Tax Credit - Little Leagues - Cecil County

This bill authorizes Cecil County or its municipalities to grant a property tax credit for property that is owned by a little league organization or a nonprofit organization that allows a little league organization of Cecil County to use its property for youth amateur athletics and is actually used exclusively for the purpose of a little league organization of Cecil County.

The bill takes effect June 1, 2006 and applies to all taxable years beginning after June 30, 2006.

Fiscal Summary

State Effect: None.

Local Effect: County and municipal property tax revenues in Cecil County could decrease by \$6,300 in FY 2007. Future years reflect increasing assessments. No effect on county and municipal expenditures.

Small Business Effect: None.

Analysis

Current Law: Cecil County and its municipalities are authorized to grant a property tax credit for property owned by the Upper Chesapeake Watershed Association that is used to: • assist in the preservation of a wild nature area • establish a nature reserve or other protected area • promote conservation.

Local Fiscal Effect: The State Department of Assessments and Taxation (SDAT) indicates that there are three little league organizations located in Cecil County – Rising Sun, North East, and Elkton. Rising Sun Little League uses property owned by a local American Legion Post; North East Little League owns the property it uses; and Elkton Little League uses Eder Park, which is exempt from county and municipal property taxation. However, because the park is used for other athletic events, it would not be exempt from State property taxation under the bill.

Exhibit 1 shows the assessment for each property and the corresponding county and municipal revenue decrease. As shown, local property tax revenues in Cecil County could decrease by \$6,300 in fiscal 2007.

Exhibit 1
State, County, and Municipal Property Tax Revenue Decrease Associated with
Exempting Little League Properties in Cecil County
Fiscal 2007 - 2011

	<u>Tax Rate</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
<i>Rising Sun Little League</i>						
Assessment		\$272,798	\$303,500	\$334,202	\$364,904	\$395,606
County Tax Decrease	0.980	(2,673)	(2,974)	(3,275)	(3,576)	(3,877)
Municipal Tax Decrease	0.360	(982)	(1,093)	(1,203)	(1,314)	(1,424)
<i>North East Little League</i>						
Assessment		\$268,566	\$284,23	\$299,90	\$315,568	\$331,236
County Tax Decrease	0.980	(2,632)	(2,785)	(2,939)	(3,093)	(3,246)
Municipal Tax Decrease	0.480	n/a	n/	n/	n/a	n/a
<i>Elkton Little League</i>						
Assessment		\$36,300	\$41,13	\$45,96	\$50,800	\$55,633
County Tax Decrease	0.980	n/a	n/	n/a	n/a	n/a
Municipal Tax Decrease	0.544	n/a	n/	n/a	n/a	n/a
Total Local Revenue Increase		(\$6,287)	(\$6,852)	(\$7,417)	(\$7,982)	(\$8,547)

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 27, 2006
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