

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 534

(Delegate Boschert, *et al.*)

Ways and Means

Budget and Taxation

Local Property Tax - Credit for Property Used for Commercial Fishing

This bill authorizes counties, municipal corporations, and Baltimore City to grant, by law, a property tax credit against the local government property tax imposed on real property that is used for or supports commercial fishing activities. Local governments are authorized to provide, by law, for the amount and duration of any credit granted, the criteria and qualifications for eligibility, regulations and procedures for the administration of requests for the tax credit, and any other provision necessary to administer the tax credit.

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: Potential decrease in county and municipal property tax revenues. However, the amount of the decrease cannot be reliably estimated and depends on the number of counties and municipalities enacting the property tax credit, the amount of the credit, and the number of properties eligible for the credit.

Small Business Effect: Potential meaningful.

Analysis

Current Law: A property used for or supporting commercial fishing activities is not currently eligible for State or local property tax credits as a result of this specified use.

Local Fiscal Effect: The bill could result in a decrease in county and municipal property tax revenues. However, the amount of the decrease cannot be reliably estimated and depends on the number of counties and municipalities enacting the property tax credit authorized by the bill, the amount of the credit, the number of properties used for and to support commercial fishing activities in each county, and the value of these properties.

There are approximately 44,000 waterfront properties located in the State, based on the most recent assessment cycle conducted by the State Department of Assessments and Taxation. However, data is not available as to the value of each waterfront property.

The Department of Natural Resources indicates that commercial fishing licenses were issued to 6,646 individuals for the license year that ended August 31, 2004. It is not known how many of these individuals own property and the extent to which the property is used for and to support their commercial fishing operations.

Small Business Effect: To the extent that counties and municipal corporations enact property tax credits for properties used in or supporting commercial fishing, property owners would realize reduced property taxes.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Department of Assessments and Taxation, Department of Natural Resources, Prince George's County, Anne Arundel County, Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2006
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Analysis by: Michael Sanelli

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