

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 426
Ways and Means

(Allegany County Delegation)

Budget and Taxation

**Allegany County - Property Tax Credit - Allegany County Agricultural Expo,
Inc.**

This bill authorizes Allegany County or a municipal corporation in the county to grant, by law, a property tax credit against the county or municipal property tax for property that is owned by the Allegany County Agricultural Expo, Inc.

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: Allegany County property tax revenues could decrease by a minimal amount beginning in FY 2007. County expenditures would not be affected.

Small Business Effect: Minimal.

Analysis

Current Law: Allegany County and its municipal corporations are authorized to grant, by law, property tax credits for: (1) property owned by the Upper Potomac Jaycees, Incorporated; (2) property owned by the Allegany Beagle Club, Incorporated; (3) property leased by Frostburg Community Hospital, Inc. and used for hospital purposes; (4) property owned by the Western Maryland Scenic Railroad; (5) property owned by the Frostburg Lions Club; (6) property owned by the Cumberland/Allegany County Industrial

Foundation, Inc.; (7) property owned by the La Vale Lions Club Foundation, Inc.; (8) property owned by the Carver Community Center, Inc.; and (9) property owned by the Cumberland Cultural Foundation and is known as the Gilchrist Museum.

Local Fiscal Effect: The State Department of Assessments and Taxation and Allegany County indicate that the Allegany County Agricultural Expo, Inc. does not own any real property in Allegany County. However, the entity owns personal property and, for the tax year beginning July 1, 2005, the personal property assessment is \$1,570.

If Allegany County grants a tax credit on the full personal property assessment, county property tax revenues would decrease by approximately \$39 annually, beginning in fiscal 2007. To the extent that the Agricultural Expo adds additional personal property in the future, Allegany County revenues would decrease accordingly.

Additional Information

Prior Introductions: This bill was introduced as SB 947/HB 1398 in the 2005 session. SB 947 received a favorable report by the Senate Budget and Taxation Committee and was passed by the Senate. The House Ways and Means Committee did not take action on either bill.

Cross File: None.

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

Fiscal Note History: First Reader - March 15, 2006
ncs/hlb Revised - House Third Reader - March 28, 2006

Analysis by: Michael Sanelli

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