

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 1158
Ways and Means

(Delegate Moe, *et al.*)

Budget and Taxation

Property Tax Credit - Nonprofit Swim Clubs

This bill authorizes local governments to grant, by law, a property tax credit against the property tax imposed on a nonprofit swim club that uses its facilities exclusively to provide a recreational outlet for a local community. Local governments are authorized to provide, by law, for the amount and duration of the credit and any other provision necessary.

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

Fiscal Summary

State Effect: None.

Local Effect: County property tax revenues could decrease by \$428,000 in FY 2007 and by \$798,100 in FY 2011. Expenditures would not be affected.

Small Business Effect: None.

Analysis

Current Law: If a swimming pool is owned by a community and every member of the community has access to the pool and other associated property, the State Department of Assessments and Taxation (SDAT) does not place an assessed value on the pool. The value of the pool is assumed in the value of each property that has an interest in the pool (the right to use it). The bill does not affect these swimming pools.

Background: SDAT has identified 46 properties in 10 counties that are owned by nonprofit swim clubs that would be eligible for the tax credit. These counties include Allegany, Anne Arundel, Baltimore, Carroll, Charles, Harford, Howard, Montgomery, Prince George's, and Washington. The real property assessment on these properties total \$37.5 million in fiscal 2007 and \$73.3 million in fiscal 2011. The personal property assessment for these properties total \$0.9 million in fiscal 2007.

The supervisor of assessments in Calvert, Caroline, Cecil, Dorchester, Frederick, Garrett, Kent, Queen Anne's, St. Mary's, and Talbot counties could not determine taxable accounts which would qualify for the tax credit.

Local Fiscal Effect: Assuming each county provides a 100% tax credit for eligible properties, county property tax revenues could decrease by \$428,000 in fiscal 2007 and by \$798,100 in fiscal 2011.

Appendices 1 and 2 show the real property assessment and the corresponding revenue decrease from a 100% tax credit for each eligible property in fiscal 2007 through 2011. **Appendix 3** shows the personal property assessment and the corresponding revenue decrease from a 100% tax credit for each eligible property in fiscal 2007. **Appendix 4** summarizes the potential revenue decrease from granting a 100% tax credit for real property for each of the eight counties with eligible properties identified by SDAT.

Additional Information

Prior Introductions: None.

Cross File: SB 982 (Senator Giannetti) – Budget and Taxation.

Information Source(s): State Department of Assessments and Taxation, Baltimore City, Calvert County, Caroline County, Howard County, Montgomery County, Prince George's County, City of Frederick, City of Glen Arden, City of Havre de Grace, Town of Indian Head, Town of Rising Sun, Department of Legislative Services

Fiscal Note History: First Reader - March 17, 2006
ncs/hlb Revised - Updated Information - March 23, 2006

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Appendix 1
Local Swim Clubs - Real Property Assessments
Fiscal 2007 – 2011

Swim Club	County	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Bel Air	Allegany	\$53,500	\$58,500	\$63,500	\$68,500	\$73,500
LaVale	Allegany	101,600	101,600	101,600	101,600	101,600
Bay Hills	Anne Arundel	450,600	468,668	486,736	504,804	522,872
Cape St. Claire	Anne Arundel	244,400	244,400	244,400	244,400	244,400
Waugh Chapel	Anne Arundel	795,432	838,498	881,564	924,630	967,696
Glen Burnie Park	Anne Arundel	404,732	454,798	504,864	554,930	604,996
Andover	Anne Arundel	398,232	432,298	466,364	500,430	534,496
Five Oaks	Baltimore	508,300	521,600	534,900	548,200	561,500
Brookhaven Crystal Springs	Baltimore	49,500	49,500	49,500	49,500	49,500
Owings Mills	Baltimore	298,900	300,934	302,968	305,002	307,036
Glyndon Club	Baltimore	428,866	516,399	603,932	691,465	778,998
Worthington Valley	Baltimore	870,032	997,633	1,125,234	1,252,835	1,380,436
Pennland Pool	Baltimore	30,700	30,700	30,700	30,700	30,700
York Manor	Baltimore	301,330	315,000	328,670	342,340	356,010
Dulaney Swim Club	Baltimore	349,786	369,099	388,412	407,725	427,038
Valley Country Club	Baltimore	1,323,066	1,419,199	1,515,332	1,611,465	1,707,598
PSM and N	Baltimore	231,850	241,600	251,350	261,100	270,850
Pine Ridge	Baltimore	256,100	271,600	287,100	302,600	318,100
Campus Cabana	Baltimore	376,500	396,400	416,300	436,200	456,100
Lineboro-Manch	Carroll	419,066	456,299	493,532	530,765	567,998
Sullivan Heights	Carroll	130,400	173,800	217,200	260,600	304,000
Stephens	Carroll	325,100	350,734	376,368	402,002	427,636
Ridge	Carroll	750,900	808,000	865,100	922,200	979,300
Smallwood Village	Charles	507,400	514,068	520,736	527,404	534,072
Huntington	Charles	943,200	967,268	991,336	1,015,404	1,039,472
Bannister Neighborhood	Charles	607,200	617,100	627,000	636,900	646,800
Swann Point	Charles	13,044,933	20,004,866	26,964,799	33,924,732	40,884,665
Joppatown	Harford	388,000	411,900	435,800	459,700	483,600
The Fallston Club	Harford	736,266	803,799	871,332	938,865	1,006,398
Fountain Green	Harford	488,932	542,698	596,464	650,230	703,996
Rock Spring	Harford	459,232	504,798	550,364	595,930	641,496
North Harford	Harford	351,900	382,768	413,636	444,504	475,372
Kings at Valleybrook	Harford	779,000	843,300	907,600	971,900	1,036,200
Atholton	Howard	240,260	240,260	240,260	240,260	240,260
Watermont	Howard	442,733	539,266	635,799	732,332	828,865
St. John	Howard	769,600	803,800	838,000	872,200	906,400
West Howard	Howard	552,366	608,499	664,632	720,765	776,898
Hammond Park	Howard	993,732	1,054,898	1,116,064	1,177,230	1,238,396
Calverton	Montgomery	1,701,112	2,268,118	2,835,124	3,402,130	3,969,136
Country Glen	Montgomery	1,159,506	1,159,506	1,159,506	1,159,506	1,159,506
Belair Bath and Tennis	Prince George's	735,650	758,308	780,966	803,624	826,282
Belair Swim and Racquet	Prince George's	925,180	928,540	931,900	935,260	938,620
College Park Woods	Prince George's	234,420	233,420	232,420	231,420	230,420
West Laurel	Prince George's	621,720	653,988	686,256	718,524	750,792
Whitehall Pool and Tennis	Prince George's	1,205,220	1,247,194	1,289,168	1,331,142	1,373,116
Northwood Club	Washington	562,000	592,100	622,200	652,300	682,400
Total		\$37,548,454	\$46,497,721	\$55,446,988	\$64,396,255	\$73,345,522

Source: State Department of Assessments and Taxation

Appendix 2
Local Swim Clubs - Decrease in County Real Property Tax Revenue
Fiscal 2007 – 2011

Swim Club	County	Tax Rate	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Bel Air	Allegany	1.0007	(\$535)	(\$585)	(\$635)	(\$685)	(\$736)
LaVale	Allegany	1.0007	(1,017)	(1,017)	(1,017)	(1,017)	(1,017)
Bay Hills	Anne Arundel	0.931	(4,195)	(4,363)	(4,532)	(4,700)	(4,868)
Cape St. Claire	Anne Arundel	0.931	(2,275)	(2,275)	(2,275)	(2,275)	(2,275)
Waugh Chapel	Anne Arundel	0.931	(7,405)	(7,806)	(8,207)	(8,608)	(9,009)
Glen Burnie Park	Anne Arundel	0.931	(3,768)	(4,234)	(4,700)	(5,166)	(5,633)
Andover	Anne Arundel	0.931	(3,708)	(4,025)	(4,342)	(4,659)	(4,976)
Five Oaks	Baltimore	1.115	(5,668)	(5,816)	(5,964)	(6,112)	(6,261)
Brookhaven Crystal	Baltimore	1.115	(552)	(552)	(552)	(552)	(552)
Owings Mills	Baltimore	1.115	(3,333)	(3,355)	(3,378)	(3,401)	(3,423)
Glyndon Club	Baltimore	1.115	(4,782)	(5,758)	(6,734)	(7,710)	(8,686)
Worthington Valley	Baltimore	1.115	(9,701)	(11,124)	(12,546)	(13,969)	(15,392)
Pennland Pool	Baltimore	1.115	(342)	(342)	(342)	(342)	(342)
York Manor	Baltimore	1.115	(3,360)	(3,512)	(3,665)	(3,817)	(3,970)
Dulaney Swim Club	Baltimore	1.115	(3,900)	(4,115)	(4,331)	(4,546)	(4,761)
Valley Country Club	Baltimore	1.115	(14,752)	(15,824)	(16,896)	(17,968)	(19,040)
PSM and N	Baltimore	1.115	(2,585)	(2,694)	(2,803)	(2,911)	(3,020)
Pine Ridge	Baltimore	1.115	(2,856)	(3,028)	(3,201)	(3,374)	(3,547)
Campus Cabana	Baltimore	1.115	(4,198)	(4,420)	(4,642)	(4,864)	(5,086)
Lineboro-Manch	Carroll	1.048	(4,392)	(4,782)	(5,172)	(5,562)	(5,953)
Sullivan Heights	Carroll	1.048	(1,367)	(1,821)	(2,276)	(2,731)	(3,186)
Stephens	Carroll	1.048	(3,407)	(3,676)	(3,944)	(4,213)	(4,482)
Ridge	Carroll	1.048	(7,869)	(8,468)	(9,066)	(9,665)	(10,263)
Smallwood Village	Charles	1.026	(5,206)	(5,274)	(5,343)	(5,411)	(5,480)
Huntington	Charles	1.026	(9,677)	(9,924)	(10,171)	(10,418)	(10,665)
Bannister Neighborhood	Charles	1.026	(6,230)	(6,331)	(6,433)	(6,535)	(6,636)
Swann Point	Charles	1.026	(133,841)	(205,250)	(276,659)	(348,068)	(419,477)
Joppatown	Harford	1.082	(4,198)	(4,457)	(4,715)	(4,974)	(5,233)
The Fallston Club	Harford	1.082	(7,966)	(8,697)	(9,428)	(10,159)	(10,889)
Fountain Green	Harford	1.082	(5,290)	(5,872)	(6,454)	(7,035)	(7,617)
Rock Spring	Harford	1.082	(4,969)	(5,462)	(5,955)	(6,448)	(6,941)
North Harford	Harford	1.082	(3,808)	(4,142)	(4,476)	(4,810)	(5,144)
Kings at Valleybrook	Harford	1.082	(8,429)	(9,125)	(9,820)	(10,516)	(11,212)
Atholton	Howard	1.1695	(2,810)	(2,810)	(2,810)	(2,810)	(2,810)
Watermont	Howard	1.1695	(5,178)	(6,307)	(7,436)	(8,565)	(9,694)
St. John	Howard	1.1695	(9,000)	(9,400)	(9,800)	(10,200)	(10,600)
West Howard	Howard	1.1695	(6,460)	(7,116)	(7,773)	(8,429)	(9,086)
Hammond Park	Howard	1.1695	(11,622)	(12,337)	(13,052)	(13,768)	(14,483)
Calverton	Montgomery	0.967	(16,450)	(21,933)	(27,416)	(32,899)	(38,382)
Country Glen	Montgomery	0.967	(11,212)	(11,212)	(11,212)	(11,212)	(11,212)
Belair Bath and Tennis	Prince George's	1.319	(9,703)	(10,002)	(10,301)	(10,600)	(10,899)
Belair Swim and Racquet	Prince George's	1.319	(12,203)	(12,247)	(12,292)	(12,336)	(12,380)
College Park Woods	Prince George's	1.319	(3,092)	(3,079)	(3,066)	(3,052)	(3,039)
West Laurel	Prince George's	1.319	(8,200)	(8,626)	(9,052)	(9,477)	(9,903)
Whitehall Pool and Tennis	Prince George's	1.319	(15,897)	(16,450)	(17,004)	(17,558)	(18,111)
Northwood Club	Washington	0.948	(5,328)	(5,613)	(5,898)	(6,184)	(6,469)
Total			(\$402,736)	(\$495,261)	(\$587,786)	(\$680,312)	(\$772,837)

Source: State Department of Assessments and Taxation, Department of Legislative Services

Appendix 3
Local Swim Clubs - Personal Property Assessment and Corresponding Revenue Decrease
Fiscal 2007

Swim Club	County	Tax Rate	Assessment	Revenues
Bel Air	Allegany	2.50175	\$37,850	(\$947)
LaVale	Allegany	2.50175	6,230	(156)
Bay Hills	Anne Arundel	2.3275	0	0
Cape St. Claire	Anne Arundel	2.3275	1,140	(27)
Waugh Chapel	Anne Arundel	2.3275	n/a	n/a
Glen Burnie Park	Anne Arundel	2.3275	10,250	(239)
Andover	Anne Arundel	2.3275	0	0
Five Oaks	Baltimore	2.7875	n/a	n/a
Brookhaven Crystal Springs	Baltimore	2.7875	n/a	n/a
Owings Mills	Baltimore	2.7875	n/a	n/a
Glyndon Club	Baltimore	2.7875	18,260	(509)
Worthington Valley	Baltimore	2.7875	86,300	(2,406)
Penmland Pool	Baltimore	2.7875	58,600	(1,633)
York Manor	Baltimore	2.7875	203,800	(5,681)
Dulaney Swim Club	Baltimore	2.7875	0	0
Valley Country Club	Baltimore	2.7875	0	0
PSM and N	Baltimore	2.7875	34,660	(966)
Pine Ridge	Baltimore	2.7875	n/a	n/a
Campus Cabana	Baltimore	2.7875	10,500	(293)
Lineboro-Manch	Carroll	2.62	n/a	n/a
Sullivan Heights	Carroll	2.62	2,600	(68)
Stephens	Carroll	2.62	0	0
Ridge	Carroll	2.62	0	0
Smallwood Village	Charles	2.565	34,500	(885)
Huntington	Charles	2.565	93,200	(2,391)
Bannister Neighborhood	Charles	2.565	9,910	(254)
Swann Point	Charles	2.565	0	0
Joppatown	Harford	2.705	58,090	(1,571)
The Fallston Club	Harford	2.705	0	0
Fountain Green	Harford	2.705	n/a	n/a
Rock Spring	Harford	2.705	250	(7)
North Harford	Harford	2.705	n/a	n/a
Kings at Valleybrook	Harford	2.705	0	0
Atholton	Howard	2.92375	115,580	(3,379)
Watermont	Howard	2.92375	920	(27)
St. John	Howard	2.92375	18,990	(555)
West Howard	Howard	2.92375	n/a	n/a
Hammond Park	Howard	2.92375	4,670	(137)
Calverton	Montgomery	2.4175	5,800	(140)
Country Glen	Montgomery	2.4175	n/a	n/a
Belair Bath and Tennis	Prince George's	3.2975	33,210	(1,095)
Belair Swim and Racquet	Prince George's	3.2975	11,870	(391)
College Park Woods	Prince George's	3.2975	800	(26)
West Laurel	Prince George's	3.2975	9,090	(300)
Whitehall Pool and Tennis	Prince George's	3.2975	36,090	(1,190)
Northwood Club	Washington	2.37	n/a	n/a
Total			\$903,160	(\$25,272)

Source: State Department of Assessments and Taxation, Department of Legislative Services

Appendix 4
Local Swim Clubs - Decrease in County Real Property Tax Revenue
Fiscal 2007 – 2011

County	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Allegany	(1,552)	(1,602)	(1,652)	(1,702)	(1,752)
Anne Arundel	(21,352)	(22,704)	(24,056)	(25,409)	(26,761)
Baltimore	(56,028)	(60,541)	(65,054)	(69,566)	(74,079)
Carroll	(17,035)	(18,747)	(20,459)	(22,171)	(23,883)
Charles	(154,954)	(226,780)	(298,606)	(370,432)	(442,257)
Harford	(34,660)	(37,754)	(40,848)	(43,941)	(47,035)
Howard	(35,070)	(37,970)	(40,871)	(43,772)	(46,673)
Montgomery	(27,662)	(33,145)	(38,628)	(44,111)	(49,594)
Prince George's	(49,096)	(50,405)	(51,714)	(53,023)	(54,333)
Washington	(5,328)	(5,613)	(5,898)	(6,184)	(6,469)
Total	(\$402,736)	(\$495,261)	(\$587,786)	(\$680,312)	(\$772,837)

Source: Department of Legislative Services
