

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 1295
Ways and Means

(Harford County Delegation)

Budget and Taxation

Harford County - Property Tax Credit for Homes Near a Refuse Disposal System

This bill alters the eligibility criteria of an optional Harford County property tax credit for specified owner-occupied residential properties located near a refuse disposal system by requiring the property to be within 1,000 feet of a specified refuse disposal system instead of within 500 feet.

The bill takes effect June 1, 2007 and is applicable to taxable years beginning after June 30, 2007.

Fiscal Summary

State Effect: None.

Local Effect: Harford County property tax revenues could decrease by up to \$59,300 in FY 2008 depending on the number of eligible properties. Future year revenues would decrease according to property tax assessments and county property tax rates. No effect on county expenditures.

Small Business Effect: None.

Analysis

Current Law: Harford County is authorized to grant a property tax credit against the county property tax imposed on specified owner-occupied residential real property:

- that was completed on or before June 30, 1988;
- whose structural boundaries are

within 500 feet of a refuse disposal system for which an active permit has been issued to the Harford County government; and • is determined by the governing body of Harford County to have been adversely impacted by its proximity to the refuse disposal system. However, the property tax credit may only be granted if the county government approves the use of specified environmental surcharges to offset the total amount of the property tax credits granted.

Background: The Harford County real property rate is \$1.082 per \$100 of assessment for fiscal 2007.

Local Fiscal Effect: Harford County currently grants a 100% property tax credit to 16 properties whose boundaries are located within 500 feet of the Scarboro Landfill. Based on current assessment data, the tax credit for these 16 properties will reduce county property tax revenue by \$28,000 in fiscal 2008.

Global Positioning System data indicates that between 20 and 33 additional properties could be eligible for the tax credit under the bill. The fiscal 2008 assessment for all 33 potentially eligible properties is approximately \$5.5 million. As a result, Harford County property tax revenues could decrease by \$59,300 in fiscal 2008, assuming that all 33 properties are eligible for the tax credit. Future year revenues would decrease depending on tax assessments and county property tax rates. To the extent that fewer properties are eligible for the tax credit, the associated revenue decrease would be less than estimated.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 19, 2007
ncs/hlb

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