

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 296

(Senator Kasemeyer)

Budget and Taxation

Ways and Means

Baltimore County - Property Tax Credit - Leadership Through Athletics, Inc.

This bill authorizes Baltimore County to grant, by law, a property tax credit for personal property owned by Leadership Through Athletics, Inc.

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: Baltimore County property tax revenues could decrease by \$2,900 annually beginning in FY 2008. Expenditures would not be affected.

Small Business Effect: Minimal.

Analysis

Current Law: Baltimore County is authorized to grant, by law, a property tax credit for real property owned by: (1) the Twin River Protective and Improvement Association; (2) the Bowley's Quarters Improvement Association; (3) the Oliver Beach Improvement Association; (4) the Baltimore County Game and Fish Association; (5) the Eastfield Civic Association; (6) the Rockaway Beach Improvement Association; (7) the Fire Museum of Maryland; (8) the Carney Rod and Gun Club; (9) the Rosa Ponselle Charitable Foundation, known as "Villa Pace"; (10) the Friends of the Oliver House; (11) the Bird River Beach Community Association; (12) the Harewood Park Community League;

(13) any other nonprofit community association, civic league or organization, or recreational or athletic organization; and (14) the Maryland State Game and Fish Protective Association. Additionally tax credits can be granted to specified real property improvements that promote business redevelopment; units of a condominium, under specified conditions; dwellings, meeting specified conditions; and personal property that is owned by the Genesee Valley Outdoor Learning Center.

Background: The Property Tax Assessment Appeals Board recently ruled in favor of the State Department of Assessments and Taxation (SDAT) in a case in Baltimore County where an exemption was sought for property owned by Leadership through Athletics, Inc. In the board's memorandum of grounds for decision, the board was impressed by the work of the entity owning the property, but the entity did not qualify as a charitable organization. The Maryland Tax Court denied a similar request for an exemption in a case brought by Northwest Family Sports Center, Inc.

Local Fiscal Effect: SDAT advises that Leadership through Athletics, Inc. has constructed an indoor sports facility (basketball courts) which is leased to amateur leagues (including AAU leagues). The facility also has classroom facilities that are used for mentoring. These facilities were added as of January 1, 2005.

Personal property was assessed at \$98,290 for fiscal 2006 and \$106,330 for fiscal 2007. The county's personal property tax rate is \$2.75 per \$100 of assessment. Based on the fiscal 2007 assessment, Baltimore County property tax revenues could decrease by \$2,924 annually beginning in fiscal 2008.

Additional Information

Prior Introductions: None.

Cross File: HB 597 (Delegate DeBoy, *et al.*) – Ways and Means.

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

Fiscal Note History: First Reader - February 20, 2007
ncs/hlb

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