

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 823

(Carroll County Senators)

Budget and Taxation

Ways and Means

Carroll County - Green Building Tax Credit

This bill authorizes the Carroll County Commissioners to grant a property tax credit against the county property tax imposed on nonresidential property on which a person installs environmentally friendly or “green” technologies. The county may, by law, • set the amount of the credit • establish eligibility criteria • establish the type of work that qualifies for the credit • establish the type of environmental technologies that will qualify for the credit and • set forth regulations and procedures for the application and uniform processing of requests for the tax credit.

Environmentally friendly technologies include conserving water, incorporating recycled or recyclable materials, and incorporating renewable and energy efficient power generation.

Fiscal Summary

State Effect: None.

Local Effect: Any decrease in Carroll County property tax revenues depends on the number of eligible properties and the amount of any tax credit granted. County expenditures would not be affected.

Small Business Effect: Potential meaningful. To the extent small businesses qualify for the tax credit, they will have reduced property tax payments.

Analysis

Current Law: Carroll County is authorized to grant a property tax credit for: (1) property owned by the Maryland Jaycees Foundation of Carroll County; (2) property leased and used by the Sykesville Little League; (3) residential property owned by specified seniors of limited income; and (4) property located in designated geographic regions of the county, owned by specified classes of persons, and renovated, upgraded, or rehabilitated in accordance with eligibility criteria established by the county.

The Carroll County property tax rate is \$1.048 per \$100 of assessment for fiscal 2008.

Background: Chapter 519 of 2004 authorizes a county or municipal corporation to provide, by law, a property tax credit against the local property tax for specified high performance buildings. The county or municipal corporation may provide for the amount of the credit, the duration of the credit, the criteria and qualifications necessary to receive the credit, and any other necessary provisions. Information on the number of local governments that provide such a credit is not readily available.

A high performance building is defined as a building that: (1) achieves at least a silver rating according to the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Green Building Rating System as adopted by the Maryland Green Building Council; (2) achieves at least a comparable rating according to any other appropriate rating system; or (3) meets comparable green building guidelines or standards approved by the State.

Chapter 519 also provided that under LEED credit MR7 or a similar criterion in a comparable rating system, credit may be awarded for the use of wood-based materials derived from all credible sources, including the sustainable forestry initiative program, the Canadian Standards Association, the American Tree Farm System, and other credible certified sources programs.

Local Fiscal Effect: Carroll County property tax revenues would decrease to the extent that the tax credit is granted. The amount of the decrease cannot be reliably estimated and depends on the number of eligible properties, the value of these properties, and the amount of the tax credit.

As a point of reference, **Exhibit 1** shows the number of improved and vacant nonresidential properties in the county, the total fiscal 2008 assessment for each type of property, and the average assessment.

Exhibit 1
NonResidential Properties in Carroll County
Fiscal 2008

	<u>Number of Properties</u>	<u>Total Assessment</u>	<u>Average Assessment</u>
Agricultural – improved	2,929	\$853,503,460	\$291,398
Agricultural – vacant	1,583	18,097,589	11,432
Commercial – improved	1,681	1,325,043,208	788,247
Commercial – vacant	625	71,540,471	114,465
Industrial – improved	161	328,925,247	2,043,014
Industrial – vacant	97	19,847,111	204,609
Commercial condos – improved	227	97,704,917	430,418
Commercial condos – vacant	4	1,700	425

Source: State Department of Assessments and Taxation

Additional Information

Prior Introductions: None.

Cross File: None.

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

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