

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 554

(Senator Gladden)

Budget and Taxation

Property Tax - Crimes and Offenses - False Information on Refund Claims

This bill provides that a person who negligently relies on false information from an independent appraisal for the purpose of claiming a specified property tax refund is guilty of a misdemeanor and is subject to a fine of up to 100% of the refund being claimed. In addition, a person who willfully provides false information from an independent appraisal for the purpose of claiming a specified property tax refund is guilty of a misdemeanor and is subject to a fine of up to twice the amount of the refund being claimed and/or imprisonment of up to 18 months. The individual is also subject to prosecution for perjury.

The bill takes effect June 1, 2008.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues and expenditures due to the bill's penalty provisions.

Local Effect: Potential minimal increase in revenues and expenditures due to the bill's penalty provisions.

Small Business Effect: None.

Analysis

Current Law: A person who negligently provides false information or a false answer to a property tax interrogatory is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$500.

A person, who willfully or with the intent to evade payment of a tax or to prevent the collection of a tax, provides false information or a false answer to a property tax interrogatory is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding 18 months or both. A person who is convicted of this crime is also subject to prosecution for perjury.

State Revenues: General fund revenues could increase minimally as a result of the bill's monetary penalty provisions from cases heard in the District Court.

State Expenditures: General fund expenditures could increase minimally as a result of the bill's incarceration penalty due to more people being committed to Division of Correction (DOC) facilities for longer periods of time and increased payments to counties for reimbursement of inmate costs. The number of people convicted of this proposed crime is expected to be minimal.

Persons serving a sentence longer than 18 months are incarcerated in DOC facilities. Currently, the average total cost per inmate, including overhead, is estimated at \$2,600 per month. This bill alone, however, should not create the need for additional beds, personnel, or facilities. Excluding overhead, the average cost of housing a new DOC inmate (including medical care and variable costs) is \$526 per month. Excluding medical care, the average variable costs total \$148 per month.

Persons serving a sentence of one year or less in a jurisdiction other than Baltimore City are sentenced to local detention facilities. For persons sentenced to a term of between 12 and 18 months, the sentencing judge has the discretion to order that the sentence be served at a local facility or DOC. The State reimburses counties for part of their incarceration costs, on a per diem basis, after a person has served 90 days. State per diem reimbursements for fiscal 2009 are estimated to range from \$19 to \$71 per inmate depending upon the jurisdiction. Persons sentenced to such a term in Baltimore City are generally incarcerated in DOC facilities. The Baltimore City Detention Center, a State-operated facility, is used primarily for pretrial detentions.

Local Revenues: Revenues could increase minimally as a result of the bill's monetary penalty provisions from cases heard in the circuit courts.

Local Expenditures: Expenditures could increase minimally as a result of the bill's incarceration penalty. Counties pay the full cost of incarceration for people in their facilities for the first 90 days of the sentence, plus part of the per diem cost after 90 days.

Per diem operating costs of local detention facilities are expected to range from \$40 to \$129 per inmate in fiscal 2009.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Allegany County, Baltimore City, Montgomery County, Prince George's County, Wicomico County, Judiciary (Administrative Office of the Courts), Department of Legislative Services

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mcp/hlb

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