

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 850
Ways and Means

(Delegate Barve, *et al.*)

Budget and Taxation

Property Tax Credit - Habitat for Humanity

This bill authorizes local governments to grant, by law, a property tax credit against the county or municipal property tax for specified real property owned by Habitat for Humanity. Habitat for Humanity must submit a report to the appropriate jurisdiction where a tax credit has been granted each year that documents the organization's real property holdings in the jurisdiction and all transactions involving such holdings. The local government may (1) set the amount, terms, scope, and duration of the credit; and (2) adopt any other provision necessary to administer the credit.

The bill takes effect June 1, 2010, and applies to taxable years beginning after June 30, 2010.

Fiscal Summary

State Effect: None.

Local Effect: County and municipal revenues may decrease by \$86,800 and \$19,800, respectively beginning in FY 2011, to the extent the property tax credit is granted. Local expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Current Law: Chapters 241 and 242 of 2009 authorized Dorchester and Talbot counties or a municipality in either county to grant, by law, a property tax credit against the county or municipal property tax for specified real property owned by Habitat for Humanity of

Talbot and Dorchester counties. Habitat for Humanity of Talbot and Dorchester counties must submit a report to the Dorchester and Talbot county councils each year that documents the organization's real property holdings in the county and all transactions involving such holdings.

Background: Habitat for Humanity International is a nonprofit, ecumenical Christian housing ministry that operates with the goal of eliminating substandard housing and homelessness worldwide. There are more than 1,500 Habitat for Humanity affiliates operating in the United States, including 17 in Maryland.

Local Fiscal Effect: The State Department of Assessments and Taxation has identified 94 properties in 16 counties (excluding Dorchester and Talbot) that may be eligible for the property tax credit authorized by the bill. The total assessed value of these properties is \$9.0 million for fiscal 2011. Assuming the property tax credit is granted by all affected jurisdictions, county and municipal property tax revenues may decrease by \$86,800 and \$19,800, respectively beginning in fiscal 2011. **Exhibit 1** shows the number of eligible properties in each county where data is available, the total assessed value of these properties, and the associated county and municipal revenue loss. To the extent more properties become eligible for the tax credit in future years, revenues will decrease accordingly.

Exhibit 1
Property Tax Credit for Habitat for Humanity – Local Revenue Decrease
Fiscal 2011

County	Number of Properties	Total Assessment	County Decrease	Municipal Decrease
Allegany	0	\$0	\$0	\$0
Anne Arundel	3	415,930	(3,022)	(933)
Baltimore City	9	169,646	(3,848)	0
Baltimore	0	0	0	0
Calvert	4	159,550	(1,423)	0
Caroline	9	704,980	(5,287)	(4,512)
Carroll	n/a	n/a	n/a	n/a
Cecil	1	58,610	(551)	0
Charles	3	444,780	(4,563)	0
Dorchester ¹	0	0	0	0
Frederick	9	889,420	(9,388)	(5,615)
Garrett	1	42,000	(416)	0
Harford	3	129,210	(1,192)	(806)
Howard	3	562,790	(6,472)	0
Kent	0	0	0	0
Montgomery	9	3,084,850	(28,257)	0
Prince George's	6	598,050	(7,792)	(3,665)
Queen Anne's	0	0	0	0
St. Mary's	14	929,700	(7,968)	0
Somerset	0	0	0	0
Talbot ¹	0	0	0	0
Washington	5	346,490	(3,285)	(1,845)
Wicomico	11	260,550	(1,978)	(715)
Worcester	4	200,840	(1,406)	(1,671)
Statewide Total	94	\$8,997,396	(\$86,848)	(\$19,762)

¹Authorized to grant property tax credit by Chapters 241 and 242 of 2009.

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

Additional Information

Prior Introductions: None.

Cross File: SB 652 (Senator DeGrange, *et al.*) - Budget and Taxation.

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

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