

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 1013

(Senator Jacobs)

Budget and Taxation

Ways and Means

**Harford County Property Tax Credit - Homes near a Refuse Disposal System -
Extension to Additional Properties**

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. The bill repeals the requirement that the residential property be completed on or before January 1, 1989, and extends the property tax credit to properties completed by June 1, 2010 and (1) located within the boundaries of Trimble Road, Magnolia Road, Fort Hoyle Road, and Aberdeen Proving Ground; or (2) located within 250 feet to the west of Fort Hoyle Road, south of parcel no. 01015060, and north of Aberdeen Proving Ground.

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

Fiscal Summary

State Effect: None.

Local Effect: Harford County property tax revenues decrease by \$37,600 in FY 2011. Future year revenues decrease according to property tax assessments and county property tax rates. Expenditures are not affected.

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: (1) whose structural boundaries are within 1,000 feet of a refuse disposal system for which an active permit has been issued to the Harford County government; or (2) that was completed by January 1, 1989 and is located in an area that consists of Magnolia Road to Trimble Road to Fort Hoyle Road and to Magnolia Road. In addition, the property must be determined by the Harford County Council 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 \$1.064 per \$100 of assessment for fiscal 2010. Under current law, 15 properties located within 500 feet of the Scarboro landfill will receive \$28,400 in property tax credits. An additional 11 properties located between 501 and 1,000 feet of the landfill will receive \$25,000 in property tax credits.

Local Fiscal Effect: This bill extends the existing property tax credit for properties located near the Scarboro Landfill to properties near the Harford Waste-to-Energy Facility (HWTEF). The facility turns most of the municipal solid waste in Harford County into renewable energy that generates approximately 50% of the steam needs in the Edgewood area of Aberdeen Proving Ground.

The State Department of Assessments and Taxation indicates that 19 residential properties located near HWTEF may be eligible for the tax credit under the bill. The fiscal 2011 taxable assessment for these properties is approximately \$3.5 million. Based on this assessment data and the county's current property tax rate, Harford County revenues may decrease by approximately \$37,600 in fiscal 2011, to the extent the property tax credit is granted. Future year revenue decreases depend on property tax assessments and county property tax rates.

Additional Information

Prior Introductions: None.

Cross File: HB 1117 (Delegates Riley and James) - Ways and Means.

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

Fiscal Note History: First Reader - March 18, 2010
ncs/hlb

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