

**Department of Legislative Services**  
Maryland General Assembly  
2010 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 724

(Anne Arundel County Delegation)

Ways and Means

Budget and Taxation

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**Anne Arundel County - Property Tax Credit - Arundel Habitat for Humanity, Inc.**

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This bill authorizes Anne Arundel County or a municipality in the county to grant, by law, a property tax credit for property owned by Arundel Habitat for Humanity. The county and municipal governments are authorized to provide, by law, for the amount, terms, scope, and duration of the property tax credit, as well as any other provisions necessary to administer the tax credit.

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

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Anne Arundel County property tax revenues may decrease by \$5,100 annually beginning in FY 2011. Expenditures are not affected.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** Anne Arundel County and municipalities in the county are required to grant a property tax credit for: (1) property owned by the U.S. Naval Academy Alumni Association (Ogle Hall); (2) property owned by the Naval Academy Athletic Association; (3) real property owned by the Three Rivers Sportsmen; and (4) property owned by the Maryland Ornithological Society.

The county and municipalities may also grant a property tax credit for real property that is: (1) owned by a nonprofit community civic association or corporation; (2) dedicated by plat or deed restriction to the use of the lot owners in the community, if the use is not contingent on the payment of: dues to the association or corporation, unless the dues are used only to improve or maintain the property of the community; or compensation for admission to or use of the property, unless the compensation is used only to improve or maintain the property of the community.

Anne Arundel County is also required to provide a property tax credit against the real property that is owned by the Davidsonville Ruritan Foundation. In addition, the county may grant a property tax credit for real property that is: (1) owned by the Village Commons Community Center; or (2) leased by Anne Arundel Community College at Arundel Mills.

**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.

Habitat for Humanity of the Chesapeake (Arundel Habitat for Humanity) was created in 1982. In June 2003, the first ReStore in Maryland was opened in Anne Arundel County. Another was opened in Baltimore in 2008. The stated mission of ReStore is to:

- generate income that enables Habitat for Humanity of the Chesapeake to create affordable homeownership opportunities in Baltimore and Anne Arundel County;
- serve the community by providing quality products at affordable prices; and
- preserve the environment by keeping reusable items out of landfills.

ReStore accepts donated building materials, appliances, furniture, cabinets, as well as other household items and resells them to the general public. All profits from ReStore support Habitat for Humanity of the Chesapeake.

**Local Fiscal Effect:** The Anne Arundel County property tax rate is \$0.876 per \$100 of assessment; the county and municipal property tax rates for real property located in the City of Annapolis are \$0.523 and \$0.530 per \$100 of assessment, respectively. The State Department of Assessments and Taxation indicates that Arundel Habitat for Humanity owns two commercial properties in Anne Arundel County located at 8101 Fort Smallwood Road and 8104 Parkway Drive. The fiscal 2011 assessments for the properties are \$527,700 (building) and \$54,300 (parking lot), for a total taxable assessment of \$582,000.

Based on the fiscal 2011 assessment and the current county property tax rate, property tax revenues for Anne Arundel County may decrease by \$5,100 beginning in fiscal 2011 to the extent the credit is granted.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 658 (Senator DeGrange, *et al.*) - Budget and Taxation.

**Information Source(s):** State Department of Assessments and Taxation, Anne Arundel County, Habitat for Humanity of the Chesapeake, Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2010  
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