

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 5

(Senator Jacobs, *et al.*)

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 extends the property tax credit to properties completed by June 1, 2010, that are located west of Gap Drive and Greater Harford Industrial Park, east of Magnolia Road, south of Trimble Road, and north of Aberdeen Proving Ground.

The bill takes effect June 1, 2012, and applies to taxable years beginning after June 30, 2012.

Fiscal Summary

State Effect: None.

Local Effect: Harford County property tax revenues decrease by \$8,300 in FY 2013. 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 June 1, 2010, and (a) located within the boundaries of Trimble Road, Magnolia Road, Fort Hoyle Road, and Aberdeen Proving Ground; or (b) located within

250 feet to the west of Fort Hoyle Road, south of parcel no. 01015060, and north of Aberdeen Proving Ground.

Background: Harford County issued \$72,400 in tax credits in fiscal 2012 for homes located near the county's refuse disposal system. In fiscal 2011, \$78,000 in tax credits were issued for these homes. For fiscal 2010, 15 properties located within 500 feet of the Scarboro Landfill received \$28,400 in property tax credits, and another 11 properties located between 501 and 1,000 feet of the landfill received \$25,000 in property tax credits.

Local Fiscal Effect: This bill extends boundaries of the existing property tax credit for properties located near the Scarboro Landfill and the Harford Waste-to-Energy Facility (HWTEF). HWTEF 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 four residential properties located within the new boundaries may be eligible for the tax credit under the bill. The fiscal 2013 taxable assessment for these properties is \$797,400. The Harford County real property tax rate is \$1.042 per \$100 of assessment for fiscal 2012. Based on the assessment data and the county's current property tax rate, Harford County revenues may decrease by approximately \$8,309 in fiscal 2013, 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: SB 395 of 2011 passed the Senate and received a favorable report from the House Ways and Means Committee. However, the bill was special ordered and no further action was taken.

Cross File: None.

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

Fiscal Note History: First Reader - January 26, 2012
ncs/hlb

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