

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 105

(Senator Waugh)

Budget and Taxation

St. Mary's County - Fire Tax and Rescue Tax - Distribution of Revenue

This bill alters the distribution of revenue from the St. Mary's County fire tax and rescue tax.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: None.

Local Effect: None. The bill does not alter the amount of revenue received from the St. Mary's County fire tax and rescue tax but rather alters the distribution to local fire and rescue squads to codify current distributions. Total county expenditures are not affected.

Small Business Effect: None.

Analysis

Bill Summary: The fire tax revenue collected from an election district must be distributed annually by the St. Mary's County Commissioners to fire companies located in that election district, except that (1) the fire tax revenue collected from the fourth election district must be distributed to fire companies located in the fifth election district and (2) the fire tax revenue collected from the ninth election district must be distributed to fire companies located in the second election district.

The rescue tax revenue collected from an election district must be distributed annually by the St. Mary's County Commissioners to rescue squads located in that election district, except that (1) the rescue tax revenue collected from the fourth election district must be distributed to rescue squads located in the fifth election district and (2) the rescue tax revenue collected from the ninth election district must be distributed to rescue squads located in the second election district.

Current Law: The fire tax revenue collected from an election district must be distributed annually by the St. Mary's County Commissioners to fire companies located in that election district. The rescue tax revenue collected from an election district must be distributed annually by the St. Mary's County Commissioners to rescue squads located in that election district.

Background: The St. Mary's County fire tax is assessed on every \$100 of assessed value of all real and personal property. The proceeds from the tax are distributed to those fire companies located in the election districts in which the money is collected. The funds received by the fire companies must be used for the purpose of purchasing, repairing, replacing, operating, maintaining and housing their fire-fighting equipment and apparatus, and for the training of new volunteer firefighters.

The St. Mary's County rescue tax is also assessed per \$100 of the assessed value of all real and personal property and provides a dedicated funding source for the county's rescue services activities and organizations. The proceeds from the tax are distributed to those rescue squads located in the election districts in which the money is collected. Funds must be used to purchase, repair, replace, operate, maintain and house rescue equipment, and for the training of volunteer rescue personnel.

St. Mary's County advises that the bill codifies the current distribution of fire and rescue tax revenues as there are no volunteer fire companies or rescue squads located in the fourth and ninth election districts. St. Mary's County reports that the county will collect approximately \$5.5 million in fire tax revenues and \$1.7 million in rescue tax revenues in fiscal 2017.

Additional Information

Prior Introductions: None.

Cross File: HB 111 (St. Mary's County Delegation) - Ways and Means.

Information Source(s): St. Mary's County; State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - January 30, 2017
mm/jrb

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