

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 998 (Calvert County Delegation)
Ways and Means

Calvert County - Property Tax Credit - Tobacco Barns

This bill authorizes Calvert County to grant, by law, a property tax credit against the county property tax imposed on real property that was formerly used solely as a tobacco barn if the real property (1) is located on land that is subject to a tobacco buyout agreement or (2) is located on land that qualifies for an agricultural use assessment and is used in connection with an activity that is recognized by the State Department of Assessments and Taxation (SDAT) as an approved agricultural activity. Calvert County may provide, by law, for (1) the amount of the property tax credit; (2) the duration of the property tax credit; and (3) any other provision necessary to administer the property tax credit. **The bill takes effect June 1, 2025, and applies to taxable years beginning after June 30, 2025.**

Fiscal Summary

State Effect: None.

Local Effect: Calvert County property tax revenues decrease beginning in FY 2026 to the extent that the property tax credit is granted. County expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Current Law: Baltimore City, counties, and municipalities are authorized to grant a property tax credit against the property tax imposed on real property that is used solely as a tobacco barn. Prince George’s and St. Mary’s counties have enacted the property tax credit.

Charles County is authorized to grant a property tax credit against the county property tax imposed on real property that was formerly used solely as a tobacco barn if the real property (1) is located on land that is subject to a tobacco buyout agreement or (2) is located on land that qualifies for an agricultural use assessment and is used in connection with an activity that is recognized by SDAT as an approved agricultural activity. Information provided by Charles County indicates that the county has not enacted this optional property tax credit.

Local Fiscal Effect: Calvert County property tax revenues decrease beginning in fiscal 2026 to the extent that the property tax credit is granted. The amount of the revenue decrease depends on the number of properties that are eligible for the tax credit, the assessed value of each property, and the amount of the property tax credit granted. Calvert County reports that the county does not have an inventory of potentially eligible properties.

Calvert County's real property tax rate is \$0.9670 per \$100 of assessment for fiscal 2025.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Calvert County; Maryland Department of Agriculture; State Department of Assessments and Taxation; Department of Legislative Services

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km/hlb

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