

Department of Legislative Services  
Maryland General Assembly  
2017 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

Senate Bill 592

(Senator Edwards)

Budget and Taxation

Ways and Means

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Allegany County - Property Tax Credits - Community Organizations and Lions  
Center

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This bill authorizes Allegany County and municipalities in the county to grant a property tax credit for property that is owned by (1) the Frostburg Museum Association; (2) the Allegany County Animal Shelter Management Foundation; (3) the Family Junction; (4) the LaVale Swim Club; and (5) the Lions Center LLC, the Lions Center I LLC, or the Lions Center II LLC and known as the Lions Center for Rehabilitation and Extended Care.

The bill takes effect June 1, 2017, and applies retroactively to taxable years beginning after June 30, 2016.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Local property tax revenues may decrease by \$54,300 annually in Allegany County, \$56,600 annually in the City of Cumberland, and \$2,600 annually in the City of Frostburg. The revenue decrease begins in FY 2017 to the extent the property tax credits are granted. Local expenditures are not affected.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** Exhibit 1 lists the current mandatory and optional property tax credits in Allegany County. The estimated county revenue loss due to these existing property tax

credits totals approximately \$325,000 in fiscal 2016. Allegany County will collect approximately \$40.9 million in property tax revenues in fiscal 2016.

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**Exhibit 1**  
**Allegany County Property Tax Credits**

**Optional**

Frostburg Community Hospital  
Western Maryland Scenic Railroad  
Frostburg Lions Club  
La Vale Lions Club Foundation  
Carver Community Center  
Cumberland Cultural Foundation/Gilchrist Museum  
Allegany County Agricultural Expo  
Allegany County Building Trades Education Foundation  
Bell Tower Building  
Cumberland Outdoor Club  
Public industrial park owned/managed/operated by a 501(c)(6)  
Property subdivided for future residential development

**Mandatory**

Personal property owned by NPO TV broadcast translator station  
South Cumberland Business and Civic Association  
Bona fide labor union  
Real property leased by religious organization to La Vale Athletic Association  
Improvements to certified historical/agriculturally significant real property  
Cresaptown Civic Improvement Association  
Potomac Park Citizens Committee

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**Local Fiscal Effect:** Authorizing the following five property tax credits may decrease local property tax revenues each year by approximately \$54,300 in Allegany County, \$56,600 in the City of Cumberland, and \$2,600 in the City of Frostburg. The revenue decrease begins in fiscal 2017 to the extent the property tax credits are granted.

*Frostburg Museum Association*

Allegany County indicates that the Frostburg Museum Association owns one property in the City of Frostburg that will eventually become the site of the Frostburg Museum. This

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building is currently undergoing renovations to accommodate the eventual hosting of the museum. The State Department of Assessments and Taxation advises that the fiscal 2017 assessment of the building totals \$410,700. As a result of the property tax credit under the bill, county property tax revenues may decrease by \$3,503 annually beginning in fiscal 2017, and property tax revenues for the City of Frostburg may decrease by \$2,628 annually. This estimate is based on a county property tax rate of \$0.853 and a municipal property tax rate of \$0.64.

#### *Allegany County Animal Shelter Management Foundation*

The Allegany County Animal Shelter Management Foundation owns one building located in the City of Cumberland with an assessed value of \$513,900 in fiscal 2017. As a result of the property tax credit under the bill, county property tax revenues may decrease by \$4,342 annually beginning in fiscal 2017, and property tax revenues for the City of Cumberland may decrease by \$4,959. This estimate is based on a county property tax rate of \$0.845 and a municipal property tax rate of \$0.965.

#### *Family Junction*

The Family Junction owns one building located in the City of Cumberland with an assessed value of \$136,200 in fiscal 2017. As a result of the property tax credit under the bill, county property tax revenues may decrease by \$1,151 annually beginning in fiscal 2017, and property tax revenues for the City of Cumberland may decrease by \$1,314. This estimate is based on a county property tax rate of \$0.845 and a municipal property tax rate of \$0.965.

#### *LaVale Swim Club*

The fiscal 2017 real property assessment for property owned by LaVale Swim Club is \$132,200. As a result of the property tax credit under the bill, county property tax revenues may decrease by \$1,292 annually beginning in fiscal 2017. This estimate is based on a county property tax rate of \$0.977.

#### *Lions Center for Rehabilitation and Extended Care*

The fiscal 2017 real property assessment for property owned by the Lions Center for Rehabilitation and Extended Care in Cumberland is \$5.2 million. As a result of the property tax credit under the bill, county property tax revenues may decrease by \$44,030 annually beginning in fiscal 2017, and property tax revenues for the City of Cumberland may decrease by \$50,282. This estimate is based on a county property tax rate of \$0.845 and a municipal property tax rate of \$0.965.

## Additional Information

**Prior Introductions:** None.

**Cross File:** HB 681 (Allegany County Delegation - Ways and Means) is identified as a cross file; however the bills are not identical.

**Information Source(s):** Allegany County; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 2017  
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Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510