

# GUIDE TO THE PROPERTY TAX STRUCTURE IN MARYLAND



DEPARTMENT OF LEGISLATIVE SERVICES 2018

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# **Guide to the Property Tax Structure in Maryland**

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**Department of Legislative Services  
Office of Policy Analysis  
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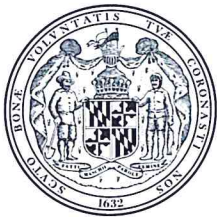
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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF POLICY ANALYSIS  
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber  
Executive Director

Ryan Bishop  
Director

December 2018

The Honorable Thomas V. Mike Miller, Jr., President of the Senate  
The Honorable Michael E. Busch, Speaker of the House of Delegates  
Honorable Members of the Maryland General Assembly

Ladies and Gentlemen:

During the 2016 interim, the Department of Legislative Services (DLS) surveyed each of the State's 23 counties and Baltimore City to collect the following information: (1) the number and amount of county specific mandatory and optional property tax credits, under Tax-Property Article § 9-301 through § 9-326, that were granted in fiscal 2016; (2) the number and amount of statewide optional property tax credits, under Tax-Property Article § 9-201 through § 9-258, that each jurisdiction granted in fiscal 2016; (3) property tax exemptions and payment in lieu of taxes (PILOT) agreements under Title 7, Subtitles 2 and 5 of the Tax-Property Article; and (4) special taxing districts under the Local Government Article.

The property tax credit information shown in this report is as reported to DLS by the various local jurisdictions. The State Department of Assessments and Taxation provided data on exempt property in each jurisdiction, various county PILOT agreements, and tax increment financing districts in the State.

This report was prepared by Michael Sanelli, Charity Scott, and Stanford Ward. It was reviewed by Hiram Burch and David Romans. Mary Alice Gehrdes prepared the manuscript. The Department of Legislative Services trusts that the study will be useful to individuals interested in matters relating to property taxes in Maryland.

Sincerely,

Victoria L. Gruber  
Executive Director

Ryan Bishop  
Director

VLG:RB/mag



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# **Chapter 1. Property Taxation in Maryland**

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## **Assessment of Real and Personal Property**

A well-defined statutory relationship exists between the State and local governments in the administration of the property tax system in Maryland. While property tax revenues are a relatively minor revenue source for the State, the State has assumed responsibility for the valuation and assessment of property. Local governments, on the other hand, levy and collect property taxes. The State assumption of the valuation and assessment function was implemented in 1973 to provide uniform and equitable assessments of property throughout the State, in compliance with the “uniformity clause” of the Maryland State Constitution. Article 15 of the Declaration of Rights provides that the State shall “by uniform rules, provide for the separate assessment, classification and sub-classification of land, improvements on land, and personal property . . . and all taxes . . . shall be uniform within each class or sub-class . . .”

## **Centralized State Role in Assessing Property**

In 1959, Chapter 757 created the State Department of Assessments and Taxation (SDAT) and the Maryland Tax Court. The creation of these two bodies was in response to longstanding concerns about the existing assessment agency – the State Tax Commission – which served as both an assessing authority and an appellate body that ruled on its own assessments. Concerns continued to exist, however, with respect to enforcing a uniform level of valuation and assessment. Assessment ratio studies are performed annually to evaluate the accuracy and uniformity of property assessments. These assessment ratio studies comparing property assessment values and sales prices repeatedly demonstrated a wide range of assessment ratios among the counties prior to the State takeover of property assessments.

The 1960s were a time of considerable appreciation in suburban property values. This appreciation in value was recognized in sporadic reassessments. For example, some Baltimore County homeowners received 100% assessed value increases in fall 1972 because the properties had not been subject to reassessment for 10 years. That same year, a class action suit was brought by property owners from several counties charging that all properties were not being reassessed uniformly.

Responding to mounting concerns and legal challenges to the assessment process, Chapter 784 of 1973 was enacted to require SDAT to assume full cost and supervision of the property assessment function for the entire State. The State’s assumption of complete financial responsibility for assessment administration was phased in over a three-year period. The Supervisors of Assessments of the 23 counties and Baltimore City entered State service in 1973. The local assessors became State employees in 1974, followed by the local clerical staffs in 1975. This centralized valuation and assessment system provided the uniformity and consistency in property valuations and assessments sought by Maryland’s property owners.



Local governments benefit as well from the centralized system because the State bears some of the cost. Today, as a result of Chapter 397 of 2011, the counties and Baltimore City are required to reimburse SDAT for (1) 50% of the costs of real property valuation; (2) 50% of the costs of business personal property valuation; and (3) 50% of costs incurred by SDAT with regard to information technology. Local expenditures are calculated on the basis of each county's share of real property accounts and business personal property as a percentage of the total.

## **Triennial Assessment Process**

Under current law, real property is valued and assessed once every three years. This approach, the triennial assessment process, was part of major property tax reform established in 1979. Under this process, assessors from SDAT value each property every three years. No adjustments are made in the interim, except in the case of (1) a zoning change; (2) a substantial change in property use; (3) extensive improvements to the property; (4) a prior erroneous assessment; (5) a residential use assessment is terminated; or (6) a subdivision occurs. The assessor determines the current "full market value" of the property and any increase in value is phased in over a three-year period. Any decrease, however, is recognized immediately for assessment purposes.

Because only one-third of the properties in each county are reassessed in a given year, local governments can rely on prior years' growth in the other two-thirds of the base to reduce the full impact of any one-year decline in assessable base. Conversely, when market values are rising, assessed values lag behind the current market, resulting in a slower annual growth in the assessable base than the market may indicate. For example, consider a home that had been assessed for \$300,000 and is increasing in value at \$15,000 per year. The new assessment was \$345,000. Under the triennial assessment process, the home's assessed value would phase in through three equal increments (year one \$315,000; year two \$330,000; and year three \$345,000). If the market value of the property continues to increase by \$15,000 per year, the difference between the market value and the assessed value for each year increases. For year one, the property owner will pay taxes on a \$315,000 assessment although the home is now worth \$360,000. For year two, the property tax bill will be based on a \$330,000 assessment, and the market value of the home is \$375,000. Finally in year three, the assessment reaches the market value at the time of the last reassessment, or \$345,000, while the property's actual value is now \$390,000. For each year, the property's assessment is below the current market value. In summary, the triennial process and its three-year phase-in schedule provide some cushion for taxpayers during periods of dramatically increasing property values and for local governments during a downturn in the housing market.

## **Homestead Property Tax Credit Program**

The Homestead Property Tax Credit Program limits the annual increase in taxable assessments for owner-occupied residential properties to 10% or less. The credit applies to State, county, and municipal property taxes and is equal to the amount of property tax attributable to any

annual assessment increase above a specified “cap.” The percentage cap on assessment increases is set at 10% for purposes of the State property tax. Each county and municipality annually sets its assessment cap between 0% and 10%. A large majority of local subdivisions have assessment caps below 10%: 21 counties in fiscal 2016, 2017, and 2018.

A property owner may claim the homestead credit only for one principal residence. To qualify as a principal residence, the property must be actually occupied by the property owner for more than six months a year. The credit limits assessments only as long as a property owner continues to reside in a dwelling. When a property is sold to a new owner, the new owner will pay property tax on the full assessed value of the property, even if the previous owner was paying tax on a smaller portion of the assessment. In subsequent years, the new property owner will begin to benefit from the homestead credit if later assessment increases exceed the cap. The homestead credit does not apply if, in the previous tax year, the zoning classification of the property was changed at the request of the homeowner, or the use of the property was changed substantially.

To claim the credit, a property owner must file an application with SDAT so that the applicant’s eligibility may be verified. A property owner is required to file the application only once. Once SDAT has approved the application, the property owner will continue to receive the credit for as long as the owner occupies the property. The requirement to file an application was imposed by the General Assembly in 2007 in response to concerns that the credit was being inadvertently or fraudulently claimed for properties that were ineligible. For properties transferred to new ownership before December 31, 2007, the deadline to submit an application was December 30, 2013. For a newly purchased property, the deadline is May 1 preceding the taxable year for which the credit is being sought.

The General Assembly established the homestead credit in 1977 in response to concerns that rising assessments were placing an undue tax burden on homeowners. The credit is of particular importance to seniors on fixed incomes and other homeowners of limited means who could be seriously burdened or even forced to leave their homes by increasing property taxes. However, homeowners with expensive properties realize the largest benefits from the program because the amount of property tax relief increases with the assessed value of the property. Individuals who have owned their homes for long periods of time are more likely to benefit from the credit. And homeowners in neighborhoods with significant assessment increases due to high demand for housing also disproportionately benefit.

When the General Assembly created the Homestead Property Tax Credit Program in 1977, the mandated assessment cap was 15%. Responding to advice of the Attorney General that a permanent 15% cap would violate the Maryland Constitution’s requirement that property taxation be uniform, the program in its early years was never authorized for a period longer than two years. In an attempt to resolve the constitutional concerns, in 1988, the General Assembly created income criteria for eligibility for the credit and made the credit permanent. The income test was repealed in 1990, before it took effect. Without income criteria, the credit is subject to the same constitutional concerns previously raised by the Attorney General. However, to date, the constitutionality of the program has not been challenged in court.

In 1991, the General Assembly set the homestead assessment cap at 10% for purposes of the State property tax and allowed counties and municipalities to set local assessment caps of anywhere from 0% to 10%. In 2010, the General Assembly mandated that an assessment cap of 10% apply to taxes imposed by a bicounty commission, such as the Maryland-National Capital Park and Planning Commission.

The extent to which the Homestead Property Tax Credit Program may actually restrict the ability of a county to raise property tax revenues depends on the county's need for revenues from the property tax and other legal and practical limitations. For example, a county impacted by a charter-imposed property tax limitation measure would presumably reduce tax rates to offset the impact of rising assessments in the absence of the homestead credit. In fiscal 2017, the assessable base lost due to the homestead tax credit was approximately 2.5% of the total assessable base.

The Homestead Property Tax Credit Program is administered in conjunction with the triennial assessment process as follows. As shown below, the homestead credit requires that assessment increases be phased in even more slowly than they would be under the triennial assessment process.

- Increases in property assessments are equally spread out over three years. For example, if a property's assessment increases by \$120,000, from \$300,000 to \$420,000, the increase is phased in through increments of \$40,000 annually for the next three years.
- If the homestead assessment cap is set at 10%, however, the amount of assessment subject to taxes would increase by only \$30,000 in the first year, \$33,000 in the following year, and \$36,300 in the third year.
- Since the assessment cap was set lower than the actual market increase, the homeowner does not have to pay taxes on the property's full assessed value.

## **Tax Rate-setting Authority**

The State property tax rate is established annually by the Board of Public Works, which is required by law to set a rate necessary to pay debt service on State general obligation bonds, except to the extent that funds are provided from other sources.

Local property tax rates are set annually by local governments and are applied to the county and municipal assessable bases. Generally, State law does not restrict the setting of property tax rates, enabling local governments to set rates at the level required to fund governmental services. Under the Maryland Constitution, the General Assembly retains the authority to set maximum limits on the rate of property taxes in municipalities (subject to approval at a local referendum) and in code home rule counties. However, the Department of Legislative Services is unaware of any instances in which this authority has ever been exercised. Furthermore, local government statutes may limit the tax rates that may be set.

The local property tax rate is established by each county, Baltimore City, or municipality expressed as an amount per \$100 of assessed value. The county property tax rate may be supplemented by special property tax levies for special districts. Thus, local governments have the final authority for determining how much property tax revenue is generated.

Title 8 of the Tax Property Article establishes the methods of property valuation and assessments and lists those classifications of property created by the General Assembly. For assessment purposes, property is divided into two classes – real property and personal property. Real property is divided into 11 subclasses, and personal property is divided into 7 subclasses. The State only imposes a property tax on real property; whereas, county governments impose separate tax rates for real and personal property. Several county governments do not impose a personal property tax on business property. State and county governments are not authorized to set separate property tax rates among different subclasses of property.

Unlike the State and county governments, municipalities have broader discretion to impose property tax rates on different classes of property. Municipalities may impose property taxes on those classes of property that it selects to be subject to the municipal property tax. In addition, municipalities retain the authority to classify property for local purposes and to impose different tax treatment on those classes. Furthermore, municipalities have the express power to exempt classes of property from taxation. Moreover, because municipalities may select the classes of property to be taxed and may set special rates for any class of property that is subject to the municipal property tax, municipalities retain the authority to levy different tax rates on selected classes of property.

The constant yield tax rate law, enacted in 1977, imposes a notice requirement on local governments in the event that a proposed tax rate is higher than the rate that would sustain current revenues.

## **Property Tax Limitation Measures**

Five charter counties (Anne Arundel, Montgomery, Prince George's, Talbot, and Wicomico) have amended their charters to limit property tax rates or revenues. In Anne Arundel County, the total annual increase in property tax revenues is limited to the lesser of 4.5% or the increase in the Consumer Price Index (CPI). In Montgomery County, the growth in property tax revenues is limited to the increase in the CPI; however, this limitation does not apply to new construction. In addition, the limitation may be overridden by a unanimous vote of all county council members. In Prince George's County, the general property tax rate is capped at \$0.96 per \$100 of assessed value. Special taxing districts, such as the Maryland National Capital Park and Planning Commission, are not included under the tax cap. In Talbot and Wicomico counties, the total annual increase in property tax revenues is limited to the lesser of 2% or the increase in CPI.

Counties may exceed the charter limitations on local property taxes for the purpose of funding the approved budget of the local boards of education. If a local property tax rate is set above the charter limit, the county governing body may not reduce funding provided to the local

board of education from any other local source and must appropriate to the local board of education all of the revenues generated from any increase beyond the existing charter limit. Any use of this authority must be reported annually to the Governor and the General Assembly. This authority was adopted at the 2012 regular session to ensure that counties have the fiscal ability to meet new Maintenance of Effort requirements. In fiscal 2013, Talbot County became the first jurisdiction to exercise this new authority by establishing a \$0.026 supplemental property tax rate for the local board of education. In fiscal 2016, Prince George's County became the second county to exercise this authority by enacting a \$0.04 supplemental property tax rate to fund its schools. In fiscal 2017, Talbot County again exceeded its charter limit by establishing a \$0.0086 supplemental property tax rate for public education. Montgomery County exceeded the charter limit through a unanimous vote by the county council. In fiscal 2018, Talbot County exceeded its charter limit again by approving a \$0.0159 supplemental property tax rate for the board of education. In fiscal 2019, Talbot County's property tax rate exceeded the charter limit by \$0.025, with the additional revenue attributable to the rate increase above the tax cap appropriated to the board of education.

## Chapter 2. State and Local Property Tax Credits

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Under the Tax – Property Article, all local governments are subject to statewide mandatory tax credit programs and are authorized to grant tax credits for certain types of property. They also are subject to mandatory and optional tax credits specific to individual counties and municipalities. The authority to grant local tax credits must be provided for in State law.

### Statewide Mandatory Property Tax Credit Programs

The major statewide mandatory credits include the homeowners’ and renters’ tax credit programs (“circuit breaker”), the enterprise zone credit, and the homestead tax credit program. These credits are found in Title 9, Subtitle 1 of the Tax – Property Article. Statewide mandatory tax credits reduce local property taxes; however, with respect to the homeowners’, renters’, and enterprise zone tax credits, counties are reimbursed in full or in part by the State for their revenue losses. Local governments may enact a local supplement to the Homeowners’ Tax Credit Program, providing additional relief to homeowners, although they must incur the cost of the local supplement.

### Statewide Optional Property Tax Credits

Tax credits that may be authorized by local governments, against local property taxes only, are specified by law for various types of property. Currently, there are 57 optional property tax credits authorized by the General Assembly that are made available on a statewide basis. These credits are found in Title 9, Subtitle 2 of the Tax – Property Article. In fiscal 2016, there were 393,790 credits issued in 21 counties with a total credit value of \$240.9 million. In Montgomery County, credits valued nearly \$183 million, which accounted for approximately 75% of the total tax credit value statewide. Of the 57 credits authorized statewide, 39 have been enacted in one or more counties. The major statewide optional credits, based on usage and amount of credit granted, are shown in **Exhibit 2.1**.

**Appendix 1** lists each of the statewide optional property tax credits in statute and the counties that have enacted each one, as reported to DLS.

### County Specific – Mandatory Property Tax Credits

Tax credit programs mandated by law may be applicable only to specific counties or municipalities. These credits can be found in Title 9, Subtitle 3 of the Tax – Property Article. In fiscal 2016, mandatory property tax credits valued at \$0.7 million were issued in 15 counties. **Exhibit 2.2** shows the number of credits mandated in a specific county and the total value of those credits.

## County Specific – Optional Tax Credits

In addition to statewide optional tax credits, some optional credits are applicable only to a specified county or municipality within a specified county. These county specific optional credits are found in Title 9, Subtitle 3 of the Tax – Property Article. In fiscal 2016, there were 196 credits authorized in 23 counties. Of those 196 credits authorized, 111 have been enacted with a total credit value of \$9.7 million. **Exhibit 2.3** compares the number of credits authorized in a particular county to the number of credits enacted by that county’s governing body. Exhibit 2.3 also shows the total value of optional property tax credits issued in the counties.

**Appendix 2** lists the county specific property tax credits that are being used in each county, as reported to DLS.

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### Exhibit 2.1 Major Statewide Optional Property Tax Credits Fiscal 2016

<u>Property Tax Credit</u>	<u>Credits Issued</u>	<u>Credit Value</u>
Offset of Local Income Tax Increase	360,519	\$192,446,747
Qualified Brownfields Sites	104	9,461,932
Historically Valuable Structures	2,284	8,521,591
Local Homeowners’ Tax Credit Supplement	19,069	8,019,627
Restoration of Historic Properties	2,121	7,928,367
High Performance Buildings	169	6,156,974
Individuals at Least 65 Years Old	6,284	2,018,852
Energy Devices	987	2,029,203

Source: Department of Legislative Services

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**Exhibit 2.2**  
**Mandatory County Specific Property Tax Credits**  
**Fiscal 2016**

<u>County</u>	<u>Credits Mandated</u>	<u>Total Credit Value</u>
Allegany	7	\$37,405
Anne Arundel	6	568,934
Baltimore City	2	7,751
Baltimore	4	12,388
Calvert	5	0
Caroline	3	5,256
Carroll	2	17,436
Cecil	2	0
Charles	0	0
Dorchester	2	750
Frederick	3	10,993
Garrett	5	49,052
Harford	0	0
Howard	0	0
Kent	0	0
Montgomery	2	0
Prince George's	n/a	n/a
Queen Anne's	9	9,156
St. Mary's	0	0
Somerset	0	0
Talbot	4	8,441
Washington	2	1,109
Wicomico	0	0
Worcester	0	0
<b>Total</b>	<b>58</b>	<b>\$728,672</b>

Source: Department of Legislative Services



**Exhibit 2.3**  
**Optional County Specific Property Tax Credits**  
**Fiscal 2016**

<u>County</u>	<u>Credits Authorized</u>	<u>Credits Enacted</u>	<u>Total Credit Value</u>
Allegany	20	12	\$286,090
Anne Arundel	7	4	415,913
Baltimore City	11	6	2,354,906
Baltimore	26	14	79,926
Calvert	6	4	77,875
Caroline	4	3	1,427,661
Carroll	6	5	234,786
Cecil	3	2	12,093
Charles	16	6	130,974
Dorchester	8	3	5,972
Frederick	9	4	1,109,860
Garrett	10	7	214,350
Harford	15	13	1,537,385
Howard	6	6	73,753
Kent	0	0	0
Montgomery	9	1	1,163,419
Prince George's	n/a	n/a	n/a
Queen Anne's	3	2	5,667
St. Mary's	7	2	45,606
Somerset	1	1	614
Talbot	6	3	13,704
Washington	12	11	509,154
Wicomico	3	0	0
Worcester	8	2	14,380
<b>Total</b>	<b>196</b>	<b>111</b>	<b>\$9,714,089</b>

Source: Department of Legislative Services

## Chapter 3. State and Local Property Tax Exemptions

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### Exempt Property

Generally, the law exempts certain types of real property from property taxation such as government-owned, charitable, benevolent, educational, religious, veterans' organizations, fire companies, historical societies, and museums. The State Department of Assessments and Taxation is responsible for determining exemptions that are specified by law. The department is required by law to assess all exempt real property, except property owned by the federal government. **Exhibit 3.1** provides a general description of the various classes of exempt property.

While local governments have limited ability to alter real property exemptions, they have been granted broad authority to exempt certain types of personal property from property taxation. The types of property exempt from local taxation are enumerated in Title 7 of the Tax – Property Article. Exemptions apply to State property taxation as well, although the State does not tax personal property.

The major local government real property tax exemptions include local, State, and federal government property; property of religious organizations; cemeteries and mausoleums; nonprofit hospitals; portions of continuing care facilities for the elderly; property of charitable, fraternal, and educational institutions; property used for national defense or military housing; property of national veterans' organizations; homes of disabled veterans and the blind (partial exemption), or a surviving spouse of either; property of historical societies and museums; property owned by certain taxpayers engaged in building, operating, and managing nonprofit multifamily units, subject to local government approval; and property owned by fire companies, rescue squads, community water corporations, and housing authorities.

The major personal property tax exemptions include property of finance companies and savings and loan associations; manufacturing equipment (though subject to tax in some counties at specified percentages of assessment and subject to municipal property tax, unless exempted in full or in part by the municipality); manufacturing inventory (though subject to municipal property tax, unless exempted in full or in part by the municipality); commercial inventory (though subject to tax on up to 7% of assessment in Wicomico County and subject to municipal property tax, unless exempted in full or in part by the municipality); motor vehicles, small vessels, and registered aircraft; certain agricultural products and commodities; farming implements and livestock; personal possessions in the owner's home; property belonging to a home-based business with an initial purchase price of less than \$10,000; and intangible property.

**Exhibit 3.1**  
**General Tax Exempt Property Categories in Maryland**

Category	Definition
<b>Religious</b>	Religious groups may receive an exemption for properties used exclusively for public religious worship, a parsonage or convent or educational purposes. The law does not extend this type of exemption to properties owned by religious groups that are used as a caretaker's residence, a residence for a minister of music, or a residence for an administrator or other employee.
<b>Charitable</b>	These groups must demonstrate that the use of the property serves the traditional objects of charity and not just merely providing a service to a particular segment of the community. Moreover, nonprofit use is not the equivalent of charitable.
<b>Fraternal, Sororal</b>	These organizations are generally limited to receiving an exemption on property used as a meeting location.
<b>Educational</b>	These groups must show that the property's use adds to the systematic dissemination of education or knowledge to the general public of Maryland. Hobby support organizations do not meet the tests for receiving this type of exemption.
<b>Blind Persons</b>	Those persons with a central visual acuity of 20/200 or less in the better eye may receive, with a doctor's certification, an exemption of \$15,000 of assessment reduction on the dwelling house and surrounding yard. Legally blind persons may apply at any time and need not meet the general September 1 filing deadline.
<b>Disabled Veterans and Surviving Spouses</b>	Armed Services veterans with a permanent service connected disability rated 100% by the Veterans Administration may receive a complete exemption from real property taxes on the dwelling house and surrounding yard. These veterans also may apply at any time and do not have to meet the September 1 filing deadline. Unremarried surviving spouses also may apply for this exemption. Surviving spouses of military personnel killed in the line of duty may apply for an exemption.
<b>Other Exemptions</b>	There are other special tax exemptions granted to government owned properties, cemeteries, community water systems, fire companies and rescue squads, historical societies, housing authorities, environmental conservation groups, and certain specifically named organizations.

Source: State Department of Assessments and Taxation

## The Effect of Exemptions on the Assessable Base

**Exhibit 3.2** provides a county-by-county breakdown of the value of exempt property by class in fiscal 2016. As shown, the assessed value of exempt real property totaled approximately \$84.7 billion in fiscal 2016. Approximately \$24.3 billion of this amount was from various education institutions across the State. Exempt federal, State, and county/municipal property totaled \$11.9 billion, \$9.4 billion, and \$17.8 billion, respectively.

**Exhibit 3.3** shows exempt property for each county on a per capita basis and as a percentage of the total real property base. Baltimore City has the most exempt property per capita at \$25,626, as well as the highest percentage of exempt property as a percentage of the total property base at 30.9%. Baltimore County has the lowest amount of exempt property on a per capita basis and Howard County has the smallest percentage of exempt property compared to its total property base.

As shown in **Exhibit 3.4**, the average per capita revenue loss resulting from exempt property (excluding exempt county and municipal property) is \$146. The amount of revenue lost from exempt property, on a per capita basis, ranges from \$467 in Baltimore City to \$55 in Talbot County. As a result, the estimated revenue loss tax rate equivalent ranges from \$0.8127 in Baltimore City to \$0.0249 in Talbot County. On average, the estimated revenue loss tax rate equivalent is \$0.1289.

**Exhibit 3.5** shows the foregone revenue for each county for fiscal 2016 by each of the categories of exempt property, excluding exempt county and municipal property. For fiscal 2016, counties lost an estimated \$861.9 million in revenue from the various categories of exempt real property. Of this amount, \$319.0 million is from educational institutions, \$134.7 million is from exempt federal government property, and \$131.5 million is from charitable and fraternal organizations.

**Exhibit 3.6** shows the resulting property tax rate equivalents for exempt real property for fiscal 2016. The property tax rate equivalent is the amount by which a county could reduce its real property tax rate if it taxed one or more of the currently exempt categories of real property. For example, if educational properties in Allegany County were no longer tax exempt, Allegany County could reduce its real property tax rate by \$0.1204 and generate the same amount of property tax revenue that it does now.

**Exhibit 3.2**  
**Tax Exempt Real Property Categories in Fiscal 2016**

<u>County</u>	<u>Federal</u>	<u>State</u>	<u>County/ Municipal</u>	<u>Educational</u>	<u>Religious</u>	<u>Charitable/ Fraternal</u>	<u>Individual</u>	<u>Total</u>
Allegany	\$86,623,967	\$260,046,586	\$150,014,797	\$434,962,901	\$107,923,346	\$288,050,416	\$19,726,417	\$1,347,348,430
Anne Arundel	1,366,075,016	1,160,321,586	919,096,421	1,683,287,567	624,499,140	598,578,879	263,942,597	6,615,801,206
Baltimore City	494,481,274	2,334,811,768	3,029,264,398	5,261,328,942	1,464,530,674	3,291,951,639	59,134,093	15,935,502,788
Baltimore	455,013,533	1,017,120,731	1,213,483,834	2,962,503,308	1,266,176,882	700,508,856	169,518,397	7,784,325,541
Calvert	74,459,933	107,546,699	230,689,300	399,020,199	135,039,427	83,508,967	38,774,584	1,069,039,109
Caroline	8,689,600	63,400,401	59,147,035	102,466,102	53,928,112	31,302,112	9,508,545	328,441,907
Carroll	11,345,000	178,952,000	471,146,797	814,963,234	306,327,800	219,830,267	46,416,316	2,048,981,414
Cecil	103,725,700	144,146,802	140,770,420	293,340,199	130,232,091	113,564,880	36,782,418	962,562,510
Charles	901,765,500	137,787,453	233,768,434	572,015,692	184,104,053	86,946,964	115,789,402	2,232,177,498
Dorchester	29,211,000	157,857,533	85,883,401	53,864,200	59,577,312	52,475,150	11,373,915	450,242,511
Frederick	311,984,303	90,401,134	710,849,612	1,048,571,097	429,346,727	372,230,250	71,682,930	3,035,066,053
Garrett	4,644,733	166,453,067	128,177,536	112,879,200	69,955,847	19,909,822	11,035,657	513,055,862
Harford	888,432,000	97,231,900	314,440,398	716,904,434	258,183,468	271,304,488	118,930,532	2,665,427,220
Howard	34,999,166	596,048,995	756,686,794	956,968,100	342,416,465	171,589,371	98,807,628	2,957,516,519
Kent	10,643,466	33,065,445	62,234,168	109,176,468	39,255,365	48,251,321	7,616,225	310,242,458
Montgomery	3,352,225,070	1,129,774,839	5,725,187,337	4,562,456,791	2,516,417,389	1,095,372,358	541,837,078	18,923,270,862
Prince George's	2,511,912,132	798,756,669	1,879,988,001	2,005,492,596	1,214,909,683	440,333,179	443,095,071	9,294,487,331
Queen Anne's	3,199,900	143,379,554	188,698,933	221,776,001	82,618,264	55,253,068	29,454,368	724,380,088
St. Mary's	1,093,362,401	175,071,065	231,147,066	416,847,302	106,075,065	40,709,067	49,752,546	2,112,964,512
Somerset	3,122,500	155,657,067	44,600,661	122,637,866	34,404,554	49,579,788	8,587,689	418,590,125
Talbot	17,886,016	22,382,933	160,994,500	104,920,933	82,990,441	137,099,484	22,688,967	548,963,274
Washington	68,474,141	260,187,038	387,928,370	573,452,566	355,704,651	425,633,964	40,434,273	2,111,815,003
Wicomico	4,173,400	100,656,335	259,931,368	611,530,941	144,131,465	240,283,735	20,007,695	1,380,714,939
Worcester	96,205,900	83,247,366	422,627,603	161,265,301	96,643,868	77,789,798	17,911,407	955,691,243
<b>Total</b>	<b>\$11,932,655,651</b>	<b>\$9,414,304,966</b>	<b>\$17,806,757,184</b>	<b>\$24,302,631,940</b>	<b>\$10,105,392,089</b>	<b>\$8,912,057,823</b>	<b>\$2,252,808,750</b>	<b>\$84,726,608,403</b>

Source: State Department of Assessments and Taxation

**Exhibit 3.3**  
**Comparison of Tax Exempt Real Property in Fiscal 2016**  
**Per Capita Basis and Percent of Total Property Base**

<b>County</b>	<b>\$ in Millions</b>									
	<b>Real Property Assessable Base</b>	<b>Tax Exempt Property</b>	<b>Total Property Base</b>	<b>Percent Tax Exempt</b>						
Allegany	\$3,533	\$1,347	\$4,880	27.6%	1.	Baltimore City	\$25,626	1.	Baltimore City	30.9%
Anne Arundel	77,607	6,616	84,223	7.9%	2.	St. Mary's	18,965	2.	Allegany	27.6%
Baltimore City	35,702	15,936	51,637	30.9%	3.	Allegany	18,577	3.	Somerset	23.4%
Baltimore	76,482	7,784	84,266	9.2%	4.	Worcester	18,543	4.	Wicomico	19.4%
Calvert	11,335	1,069	12,404	8.6%	5.	Montgomery	18,193	5.	Washington	15.1%
Caroline	2,485	328	2,813	11.7%	6.	Garrett	17,415	6.	St. Mary's	15.1%
Carroll	18,130	2,049	20,179	10.2%	7.	Somerset	16,245	7.	Dorchester	14.0%
Cecil	9,303	963	10,266	9.4%	8.	Kent	15,679	8.	Charles	12.4%
Charles	15,719	2,232	17,951	12.4%	9.	Queen Anne's	14,812	9.	Caroline	11.7%
Dorchester	2,774	450	3,224	14.0%	10.	Talbot	14,634	10.	Prince George's	10.8%
Frederick	26,740	3,035	29,775	10.2%	11.	Charles	14,298	11.	Garrett	10.8%
Garrett	4,257	513	4,770	10.8%	12.	Washington	14,118	12.	Frederick	10.2%
Harford	25,964	2,665	28,630	9.3%	13.	Dorchester	13,903	13.	Carroll	10.2%
Howard	45,768	2,958	48,725	6.1%	14.	Wicomico	13,487	14.	Montgomery	9.9%
Kent	2,906	310	3,216	9.6%	15.	Frederick	12,372	15.	Kent	9.6%
Montgomery	172,107	18,923	191,030	9.9%	16.	Carroll	12,223	16.	Cecil	9.4%
Prince George's	76,613	9,294	85,907	10.8%	17.	Calvert	11,800	17.	Harford	9.3%
Queen Anne's	7,595	724	8,319	8.7%	18.	Anne Arundel	11,726	18.	Baltimore	9.2%
St. Mary's	11,910	2,113	14,023	15.1%	19.	Harford	10,649	19.	Queen Anne's	8.7%
Somerset	1,370	419	1,788	23.4%	20.	Prince George's	10,219	20.	Calvert	8.6%
Talbot	8,340	549	8,889	6.2%	21.	Caroline	10,081	21.	Anne Arundel	7.9%
Washington	11,885	2,112	13,996	15.1%	22.	Howard	9,436	22.	Worcester	6.2%
Wicomico	5,738	1,381	7,118	19.4%	23.	Cecil	9,402	23.	Talbot	6.2%
Worcester	14,498	956	15,454	6.2%	24.	Baltimore	9,366	24.	Howard	6.1%
<b>Total</b>	<b>\$668,758</b>	<b>\$84,727</b>	<b>\$753,485</b>	<b>11.2%</b>		<b>Statewide</b>	<b>\$14,106</b>		<b>Statewide</b>	<b>11.2%</b>

Source: State Department of Assessments and Taxation; Department of Legislative Services

**Exhibit 3.4**  
**Revenue Impact of Tax Exempt Real Property in Fiscal 2016**  
**Per Capita Basis and Property Tax Rate Equivalent**

<u>County</u>	<u>Real Property Tax Rate</u>	<u>\$ in Millions</u>					<u>Estimated Revenue Loss Per Capita Basis</u>		<u>Estimated Revenue Loss Tax Rate Equivalent</u>	
		<u>Tax Exempt Property</u>	<u>Estimated Revenue Loss</u>	<u>Per Capita Revenue Loss</u>						
Allegany	\$0.9780	\$1,197	\$12	\$158	1.	Baltimore City	\$467	1.	Baltimore City	\$0.8127
Anne Arundel	0.9230	5,697	53	96	2.	Charles	160	2.	Allegany	0.3315
Baltimore City	2.2480	12,906	290	467	3.	Allegany	158	3.	Somerset	0.2730
Baltimore	1.1000	6,571	72	88	4.	St. Mary's	147	4.	Wicomico	0.1859
Calvert	0.8920	838	7	83	5.	Somerset	142	5.	Charles	0.1532
Caroline	0.9800	269	3	81	6.	Montgomery	131	6.	Washington	0.1375
Carroll	1.0180	1,578	16	96	7.	Garrett	128	7.	St. Mary's	0.1347
Cecil	0.9907	822	8	80	8.	Kent	126	8.	Prince George's	0.1330
Charles	1.2050	1,998	24	160	9.	Prince George's	116	9.	Dorchester	0.1282
Dorchester	0.9760	364	4	109	10.	Washington	110	10.	Caroline	0.1062
Frederick	1.0600	2,324	25	103	11.	Dorchester	109	11.	Baltimore	0.0945
Garrett	0.9900	385	4	128	12.	Wicomico	106	12.	Harford	0.0944
Harford	1.0420	2,351	24	99	13.	Frederick	103	13.	Frederick	0.0921
Howard	1.1900	2,201	26	87	14.	Harford	99	14.	Garrett	0.0895
Kent	1.0220	248	3	126	15.	Carroll	96	15.	Carroll	0.0886
Montgomery	0.9992	13,198	132	131	16.	Anne Arundel	96	16.	Cecil	0.0875
Prince George's	1.3740	7,414	102	116	17.	Queen Anne's	93	17.	Kent	0.0872
Queen Anne's	0.8471	536	5	93	18.	Baltimore	88	18.	Montgomery	0.0766
St. Mary's	0.8523	1,882	16	147	19.	Howard	87	19.	Anne Arundel	0.0678
Somerset	1.0000	374	4	142	20.	Worcester	86	20.	Calvert	0.0660
Talbot	0.5360	388	2	55	21.	Calvert	83	21.	Queen Anne's	0.0597
Washington	0.9480	1,724	16	110	22.	Caroline	81	22.	Howard	0.0572
Wicomico	0.9516	1,121	11	106	23.	Cecil	80	23.	Worcester	0.0307
Worcester	0.8350	533	4	86	24.	Talbot	55	24.	Talbot	0.0249
<b>Total</b>		<b>\$66,920</b>	<b>\$862</b>	<b>\$146</b>		<b>Statewide</b>	<b>\$146</b>		<b>Statewide</b>	<b>\$0.1289</b>

Note: Tax exempt property excludes county and municipal property.

Source: State Department of Assessments and Taxation; Department of Legislative Services

**Exhibit 3.5**  
**Revenue Impact of Tax Exempt Real Property in Fiscal 2016**

<u>County</u>	<u>Federal</u>	<u>State</u>	<u>Educational</u>	<u>Religious</u>	<u>Charitable/ Fraternal</u>	<u>Individual</u>	<u>Total</u>
Allegany	\$847,182	\$2,543,256	\$4,253,937	\$1,055,490	\$2,817,133	\$192,924	\$11,709,923
Anne Arundel	12,608,872	10,709,768	15,536,744	5,764,127	5,524,883	2,436,190	52,580,585
Baltimore City	11,115,939	52,486,569	118,274,675	32,922,650	74,003,073	1,329,334	290,132,239
Baltimore	5,005,149	11,188,328	32,587,536	13,927,946	7,705,597	1,864,702	72,279,259
Calvert	664,183	959,317	3,559,260	1,204,552	744,900	345,869	7,478,080
Caroline	85,158	621,324	1,004,168	528,495	306,761	93,184	2,639,090
Carroll	115,492	1,821,731	8,296,326	3,118,417	2,237,872	472,518	16,062,356
Cecil	1,027,611	1,428,062	2,906,121	1,290,209	1,125,087	364,403	8,141,494
Charles	10,866,274	1,660,339	6,892,789	2,218,454	1,047,711	1,395,262	24,080,829
Dorchester	285,099	1,540,690	525,715	581,475	512,157	111,009	3,556,145
Frederick	3,307,034	958,252	11,114,854	4,551,075	3,945,641	759,839	24,636,694
Garrett	45,983	1,647,885	1,117,504	692,563	197,107	109,253	3,810,295
Harford	9,257,461	1,013,156	7,470,144	2,690,272	2,826,993	1,239,256	24,497,283
Howard	416,490	7,092,983	11,387,920	4,074,756	2,041,914	1,175,811	26,189,874
Kent	108,776	337,929	1,115,784	401,190	493,129	77,838	2,534,645
Montgomery	33,495,433	11,288,710	45,588,068	25,144,043	10,944,961	5,414,036	131,875,251
Prince George's	34,513,673	10,974,917	27,555,468	16,692,859	6,050,178	6,088,126	101,875,221
Queen Anne's	27,106	1,214,568	1,878,665	699,859	468,049	249,508	4,537,755
St. Mary's	9,318,728	1,492,131	3,552,790	904,078	346,963	424,041	16,038,730
Somerset	31,225	1,556,571	1,226,379	344,046	495,798	85,877	3,739,895
Talbot	95,869	119,973	562,376	444,829	734,853	121,613	2,079,513
Washington	649,135	2,466,573	5,436,330	3,372,080	4,035,010	383,317	16,342,445
Wicomico	39,714	957,846	5,819,328	1,371,555	2,286,540	190,393	10,665,376
Worcester	803,319	695,116	1,346,565	806,976	649,545	149,560	4,451,081
<b>Total</b>	<b>\$134,730,906</b>	<b>\$126,775,992</b>	<b>\$319,009,446</b>	<b>\$124,801,995</b>	<b>\$131,541,854</b>	<b>\$25,073,866</b>	<b>\$861,934,058</b>

Source: Department of Legislative Services



**Exhibit 3.6**  
**Property Tax Rate Equivalents of Tax Exempt Real Property in Fiscal 2016**

<u>County</u>	<u>Federal</u>	<u>State</u>	<u>Educational</u>	<u>Religious</u>	<u>Charitable/ Fraternal</u>	<u>Individual</u>	<u>Total</u>
Allegany	\$0.0240	\$0.0720	\$0.1204	\$0.0299	\$0.0797	\$0.0055	\$0.3315
Anne Arundel	0.0162	0.0138	0.0200	0.0074	0.0071	0.0031	0.0678
Baltimore City	0.0311	0.1470	0.3313	0.0922	0.2073	0.0037	0.8127
Baltimore	0.0065	0.0146	0.0426	0.0182	0.0101	0.0024	0.0945
Calvert	0.0059	0.0085	0.0314	0.0106	0.0066	0.0031	0.0660
Caroline	0.0034	0.0250	0.0404	0.0213	0.0123	0.0038	0.1062
Carroll	0.0006	0.0100	0.0458	0.0172	0.0123	0.0026	0.0886
Cecil	0.0110	0.0154	0.0312	0.0139	0.0121	0.0039	0.0875
Charles	0.0691	0.0106	0.0439	0.0141	0.0067	0.0089	0.1532
Dorchester	0.0103	0.0555	0.0190	0.0210	0.0185	0.0040	0.1282
Frederick	0.0124	0.0036	0.0416	0.0170	0.0148	0.0028	0.0921
Garrett	0.0011	0.0387	0.0262	0.0163	0.0046	0.0026	0.0895
Harford	0.0357	0.0039	0.0288	0.0104	0.0109	0.0048	0.0944
Howard	0.0009	0.0155	0.0249	0.0089	0.0045	0.0026	0.0572
Kent	0.0037	0.0116	0.0384	0.0138	0.0170	0.0027	0.0872
Montgomery	0.0195	0.0066	0.0265	0.0146	0.0064	0.0031	0.0766
Prince George's	0.0450	0.0143	0.0360	0.0218	0.0079	0.0079	0.1330
Queen Anne's	0.0004	0.0160	0.0247	0.0092	0.0062	0.0033	0.0597
St. Mary's	0.0782	0.0125	0.0298	0.0076	0.0029	0.0036	0.1347
Somerset	0.0023	0.1136	0.0895	0.0251	0.0362	0.0063	0.2730
Talbot	0.0011	0.0014	0.0067	0.0053	0.0088	0.0015	0.0249
Washington	0.0055	0.0208	0.0457	0.0284	0.0340	0.0032	0.1375
Wicomico	0.0007	0.0167	0.1014	0.0239	0.0399	0.0033	0.1859
Worcester	0.0055	0.0048	0.0093	0.0056	0.0045	0.0010	0.0307
<b>Total</b>	<b>\$0.0201</b>	<b>\$0.0190</b>	<b>\$0.0477</b>	<b>\$0.0187</b>	<b>\$0.0197</b>	<b>\$0.0037</b>	<b>\$0.1289</b>

Source: Department of Legislative Services

## Chapter 4. Tax Increment Financing Districts

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### Current Law

All counties and municipalities in Maryland are authorized to utilize tax increment financing (TIF) under Title 12, Subtitle 2 of the Economic Development Article (the Tax Increment Financing Act). In Baltimore City, the authority to use TIF is provided in the city charter. Counties and municipalities (including Baltimore City) may issue bonds to finance the development of an industrial, commercial, or residential area. Generally, the bond proceeds may only be used (1) to buy, lease, condemn, or otherwise acquire property or an interest in property in the development district, a Regional Institution Strategic Enterprise (RISE) zone, or a sustainable community; or needed for a right-of-way or other easement to or from the development district, a RISE zone, or a sustainable community; (2) for site removal; (3) for surveys and studies; (4) to relocate businesses or residents; (5) to install utilities, construct parks and playgrounds, and for other needed improvements including roads to, from, or in the development district; parking; and lighting; (6) to construct or rehabilitate buildings for a governmental purpose or use; (7) for reserves or capitalized interest; (8) for necessary costs to issue bonds; and (9) to pay the principal of and interest on loans, advances, or indebtedness that a political subdivision incurs for a specified purpose. Bonds issued for use in a sustainable community or a RISE zone have different use criteria.

The “original base” for a TIF district means the assessable base of the district:

- as of January 1 of the year preceding the effective date of the resolution creating the district; or
- if applicable, the original base for a brownfields site as determined by resolution of the political subdivision.

Chapter 258 of 2016 authorizes grants, for fiscal 2018 and 2019, to counties that establish a TIF development district after May 1, 2016, and qualify for State disparity grant funding. The purpose of this aid is to ensure that qualifying counties do not suffer a loss of education aid because of establishing a TIF district. For fiscal 2018 and 2019, using net taxable income (NTI) based on tax returns filed on or before November 1, State aid (excluding NTI grants) must be calculated once using the assessed valuation of real property as defined by current law and again using that same valuation as reduced by the calculated tax increment due to the TIF district for each eligible county. If the amount of State aid calculated as reduced by the tax increment is greater than the amount of State aid calculated without excluding the tax increment, the difference is provided as a grant to the county board of education.

The State Department of Assessments and Taxation (SDAT) must (1) certify the original amount of assessable base for real property that is located in an eligible TIF development district as of January 1 of the year preceding the year in which the ordinance or resolution establishing the

TIF development district takes effect and (2) annually certify the amount of assessable base for real property that is located in the eligible TIF development district as of July 1 of the first completed fiscal year before the school year for which the calculation of the grant is made. For TIF development district real property, the tax increment is the difference between the annually certified assessable base amount and the original certified assessable base amount.

Chapter 258 expresses the intent of the General Assembly that the final recommendations of the study of the adequacy of education funding being conducted as required by Chapter 288 of 2002 (The Bridge to Excellence in Public Schools Act), as amended by Chapter 397 of 2011, and any commission that may be established to make recommendations on the adequacy study, must consider the impact of economic development incentives in low-wealth jurisdictions on State education aid.

Specifically, the adequacy study and any commission must make recommendations on (1) whether the assessed value of TIF districts should be excluded from the calculation of wealth for State education aid purposes and, if so, any limits on the exclusions that should be considered and (2) the continuation of the hold harmless grants established by the bill.

## **Tax Increment Financing Districts**

TIF is a public financing method that uses future gains in tax revenues to finance current improvements. The increase in the property tax revenue generated by new commercial development in a specific area, the TIF district, pays for bonds issued to finance site improvements, infrastructure, and other project costs located on public property. In a TIF district, the local government “freezes” the existing property tax base and uses the property tax revenue from this base as it would normally use such funds. The difference between the current tax base and the frozen base in each future year is termed the incremental valuation. The local government apportions the property tax revenue on the incremental valuation to a special account for certain purposes including to pay debt service on the bonds and to potentially pay for additional public expenditures in the TIF district. The TIF district ceases to exist upon the retirement of the bonds, and after that time, all property tax revenue may be appropriated by normal means.

According to data provided by SDAT, nine jurisdictions – Baltimore City and Allegany, Anne Arundel, Baltimore, Frederick, Harford, Howard, Prince George’s, and Wicomico counties – have TIF districts. Baltimore City has 10 districts in fiscal 2017, and Anne Arundel and Prince George’s counties have 8 each. **Exhibit 4.1** shows the number of TIF districts in each county for fiscal 2017 as well as the increased value of the districts for fiscal 2015, 2016, and 2017.

**Exhibit 4.2** shows the percentage of each county’s real property assessable base that is comprised of TIF districts for fiscal 2016. As shown in the exhibit, Anne Arundel County has the largest percentage of assessable base comprised of TIF districts at 6.2%. Prince George’s County and Baltimore City have the next largest percentages, as 1.9% and 1.3%, respectively.

In 2016, \$600 million in TIF funding was requested from Baltimore City for the new Under Armour headquarters in Port Covington. In addition, reports indicate that the bid to bring the

Federal Bureau of Investigation headquarters to Prince George's County may have involved approximately \$160 million in TIF funding. In addition, DLS is aware of additional proposed development projects involving TIF funding in Baltimore City. Expansion of the University of Maryland's BioPark in West Baltimore will include \$17.5 million in TIF funding. Poppleton redevelopment, which includes plans to build about 1,600 residences, commercial space, a park, and a school in West Baltimore, will receive \$58.3 million in TIF funding.

**Exhibit 4.1**  
**TIF Districts and Values by Jurisdiction**

<u>County</u>	<u>Districts</u> <u>Fiscal 2017</u>	<u>TIF District Value</u>		
		<u>Fiscal 2015</u>	<u>Fiscal 2016</u>	<u>Fiscal 2017</u>
Allegany	1	\$0	-\$320,000	-\$352,000
Anne Arundel	8	4,367,163,662	4,789,496,337	5,091,250,316
Baltimore City	10	343,441,900	458,155,000	467,766,500
Baltimore	1	30,539,433	30,788,167	31,036,900
Calvert	0	0	0	0
Caroline	0	0	0	0
Carroll	0	0	0	0
Cecil	0	0	0	0
Charles	0	0	0	0
Dorchester	0	0	0	0
Frederick	3	0	47,326,836	57,699,333
Garrett	0	0	0	0
Harford	1	51,386,900	64,333,500	80,210,500
Howard	1	6,222,600	6,276,200	6,329,800
Kent	0	0	0	0
Montgomery	0	0	0	0
Prince George's	8	1,039,128,531	1,466,394,986	1,627,831,509
Queen Anne's	0	0	0	0
St. Mary's	0	0	0	0
Somerset	0	0	0	0
Talbot	0	0	0	0
Washington	0	0	0	0
Wicomico	2	8,738,133	8,914,100	8,236,905
Worcester	0	0	0	0
<b>Total</b>	<b>35</b>	<b>\$5,846,621,159</b>	<b>\$6,871,365,126</b>	<b>\$7,370,009,763</b>

TIF: tax increment financing

Source: State Department of Assessments and Taxation

**Exhibit 4.2**  
**TIF Districts – Percentage of Real Property Base**  
**Fiscal 2016**

<u>County</u>	<u>Assessable Base</u>	<u>TIF District Value</u>	<u>Percent of Real Property Base</u>
Allegany	\$3,532,916,000	-\$320,000	-0.01%
Anne Arundel	77,607,370,000	4,789,496,337	6.17%
Baltimore City	35,701,626,000	458,155,000	1.28%
Baltimore	76,481,580,000	30,788,167	0.04%
Calvert	11,334,748,000	0	0.00%
Caroline	2,484,606,000	0	0.00%
Carroll	18,130,197,000	0	0.00%
Cecil	9,303,122,000	0	0.00%
Charles	15,718,928,000	0	0.00%
Dorchester	2,773,657,000	0	0.00%
Frederick	26,739,905,000	47,326,836	0.18%
Garrett	4,257,322,000	0	0.00%
Harford	25,964,093,000	64,333,500	0.25%
Howard	45,767,761,000	6,276,200	0.01%
Kent	2,905,825,000	0	0.00%
Montgomery	172,106,721,000	0	0.00%
Prince George's	76,612,580,000	1,466,394,986	1.91%
Queen Anne's	7,594,933,000	0	0.00%
St. Mary's	11,910,055,000	0	0.00%
Somerset	1,369,900,000	0	0.00%
Talbot	8,339,903,000	0	0.00%
Washington	11,884,566,000	0	0.00%
Wicomico	5,737,704,000	8,914,100	0.16%
Worcester	14,498,234,000	0	0.00%
<b>Total</b>	<b>\$668,758,252,000</b>	<b>\$6,871,365,126</b>	<b>1.03%</b>

TIF: tax increment financing

Source: State Department of Assessments and Taxation

**Appendix 3** shows the TIF districts in each county as well as the original assessed value of each district's real property and the increased assessment for fiscal 2015, 2016, and 2017.

## Chapter 5. Payments in Lieu of Taxes

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A payment in lieu of taxes (PILOT) is an agreement between a jurisdiction and a developer, business, or landowner that substitutes a negotiated payment for annual real estate taxes that are traditionally due on a property. PILOTs are generally applied to two categories of properties: tax-exempt properties (Class 805) and non-exempt properties (Class 806).

Class 805 properties are exempt from paying all real property taxes but under a PILOT will voluntarily agree to pay the jurisdiction a sum of money that may be calculated as a percentage of the property tax amount or to cover a share of the services the property consumes. This allows the jurisdiction to collect additional revenues to pay for the cost of services from entities that would otherwise be exempt from paying the taxes that fund services.

Class 806 properties are subject to real State, county, and municipal property taxes; however, under a PILOT, the property owner may negotiate an agreement with a jurisdiction to pay a reduced amount over a period of time as an incentive to develop in the area. Governments may enter into these agreements to spur economic development in certain areas. For purposes of county assessable base calculations, PILOT values are excluded from the assessable base.

In fiscal 2016, there were 405 Class 805 PILOTs statewide with a total exempt value of \$527.2 million, as shown in **Exhibit 5.1** (PILOTs 1). Over one-half of these PILOTs were in Baltimore City, which had 233 Class 805 PILOTs with an exempt value of \$228.3 million. Howard County had one Class 805 PILOT (Johns Hopkins University Applied Physics Laboratory) with an exempt value of \$190.5 million.

In fiscal 2016, there were 317 Class 806 PILOTs statewide with a total exempt value of \$882.9 million, as shown in **Exhibit 5.2**. Approximately two-thirds of these PILOTs were in Baltimore City, which had 200 Class 806 PILOTs with an exempt value of \$565.8 million. Anne Arundel County had 69 Class 806 PILOTs with an exempt value of \$110.6 million. Baltimore County had 38 Class 806 PILOTs with an exempt value of \$174.4 million.

In addition, Baltimore City has for many years entered into a Nonprofit Assessment Agreement with certain hospitals, colleges, and universities. This agreement is not considered an 805 or 806 PILOT. The current agreement begins in fiscal 2017 and lasts for the next 10 years. Payments total \$60 million over the life of the agreement, with \$6 million due each year from all property owners subject to the agreement. This compares to \$20.4 million in payments over 6 years under the former agreement in effect from fiscal 2011 to 2016. In the current agreement, the city agrees not to increase energy or telecommunications taxes (both of which are paid by nonprofits) for the duration of the agreement. Baltimore City last increased energy and telecommunications taxes in 2010.

**Exhibit 5.1**  
**Properties Subject to Class 805 PILOTs**  
**Fiscal 2016**

<u>County</u>	<u>805 PILOTs</u>	<u>Total 805 Exemption Value</u>
Allegany	20	\$30,352,000
Anne Arundel	0	0
Baltimore City	233	228,322,201
Baltimore	0	0
Calvert	0	0
Caroline	0	0
Carroll	0	0
Cecil	1	4,341,800
Charles	0	0
Dorchester	0	0
Frederick	4	7,881,833
Garrett	1	843,300
Harford	4	21,469,700
Howard	1	190,527,300
Kent	0	0
Montgomery	0	0
Prince George's	1	9,056,800
Queen Anne's	0	0
St. Mary's	0	0
Somerset	33	19,098,700
Talbot	2	3,933,100
Washington	3	5,550,700
Wicomico	102	5,829,767
Worcester	0	0
<b>Total</b>	<b>405</b>	<b>\$527,207,201</b>

PILOT: payment in lieu of taxes

Source: State Department of Assessments and Taxation

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**Exhibit 5.2**  
**Properties Subject to Class 806 PILOTs**  
**Fiscal 2016**

<u>County</u>	<u>806 PILOTs</u>	<u>Total 806 Exemption Value</u>
Allegany	0	\$0
Anne Arundel	69	110,589,589
Baltimore City	200	565,775,371
Baltimore	38	174,375,234
Calvert	0	0
Caroline	0	0
Carroll	0	0
Cecil	4	15,257,000
Charles	0	0
Dorchester	0	0
Frederick	1	748,600
Garrett	0	0
Harford	2	8,795,766
Howard	0	0
Kent	0	0
Montgomery	0	0
Prince George's	0	0
Queen Anne's	0	0
St. Mary's	2	7,309,367
Somerset	0	0
Talbot	0	0
Washington	0	0
Wicomico	1	0
Worcester	0	0
<b>Total</b>	<b>317</b>	<b>\$882,850,927</b>

PILOT: payment in lieu of taxes

Source: State Department of Assessments and Taxation

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## Chapter 6. Special Taxing Districts

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Special taxing districts are defined geographic areas within which a special tax is imposed on property owners to fund infrastructure improvements or services. Most special taxing districts are created by local governments, but a small number of State-created special taxing districts also exist. A county or municipality must have enabling authority from the General Assembly to create a special taxing district.

The General Assembly has authorized counties and municipalities to create special taxing districts for many different purposes. These purposes include infrastructure improvements, commercial district management, road construction, water and sewer systems, drainage, erosion prevention and control, waterway improvement, street lighting, stormwater management, and more. The authority to create special taxing districts varies considerably among counties because some enabling statutes apply only to certain counties and not others. Municipalities have more limited authority to create special taxing districts than counties.

The enabling statutes vary greatly in the requirements that they impose for the creation and operation of special taxing districts. One particularly broad statute, codified in § 10-314 of the Local Government Article, simply authorizes charter and code counties to “establish, modify, or abolish” special taxing districts for any of the broad range of purposes listed in Title 10 of the Local Government Article. This statute does not specify any further requirements. However, no counties indicate that they have exercised their authority under this statute.

A frequently used statute, codified in Title 21, Subtitle 5 of the Local Government Article, authorizes 12 specified counties to create special taxing districts for infrastructure improvements. Ten counties have created special taxing districts under this statute for a variety of projects: Anne Arundel, Baltimore, Calvert, Charles, Garrett, Harford, Howard, Prince George’s, St. Mary’s, and Talbot. This statute allows a special taxing district to be created only if two-thirds of the owners of real property parcels and two-thirds of the assessed valuation of real property in the proposed district make a request to the county. The statute authorizes the county to issue bonds to finance the infrastructure improvements. Revenue from taxes imposed within the district is deposited in a special fund that is used to pay the bonds. The statute requires that the special taxing district terminates when bonds are no longer outstanding with respect to the special taxing district and the county determines not to use the money in the special fund for other specified purposes.

Kent, Queen Anne’s, and Worcester counties have created drainage associations to establish a ditch, drain, or canal or establish and maintain a watershed drainage system under Title 26 of the Local Government Article. These drainage projects are financed through a special assessment imposed on the lands benefitted by the project. The statute includes extensive requirements for the creation, operation, governance, and dissolution of a drainage association.

Anne Arundel and Dorchester counties have established shore erosion control districts under Title 21, Subtitle 3 of the Local Government Article. A shore erosion control district may

be created when the owners of 75% of the real property or 75% of the owners of real property within the proposed district petition the county. Shore erosion control projects are financed through benefit charges on all real property in the district benefitting from the project.

Anne Arundel and Talbot counties have established waterways improvement districts under § 8-705 of the Natural Resources Article. These districts are formed to complete projects such as dredging channels and harbors and clearing debris and obstructions from waterways. The cost of these projects is shared between the county and the State. A county may pay its share of the projects by levying a special assessment against each property within a waterways improvement district.

Frederick, Washington, and Wicomico counties have established street lighting districts under § 21-801 of the Local Government Article. A street lighting district may be created if 60% of the owners of property in the proposed district petition the county. The cost of installation and maintenance of street lighting is paid by an *ad valorem* tax imposed on the property in the district that is served by the street lighting.

Baltimore City has created several special taxing districts under authorizing statutes that apply only to the city and are codified in the Baltimore City Charter. Under Art. II, § 61 of the charter, the city has created a Downtown Commercial District Management Authority to promote and market the downtown area, provide supplemental security and maintenance services, and provide amenities in public areas. The city has established nine special taxing districts to finance infrastructure improvements under Art. II, § 62A of the charter. These districts may be created only if two-thirds of the owners of real property parcels and two-thirds of the assessed valuation of real property in the proposed district make a request to the city. The city has created three Community Benefits District Authorities under Art. II, § 63 of the charter. These districts serve the Charles Village, Midtown, and Waterfront areas. They promote and market the areas, provide supplemental security and maintenance services, provide amenities in public areas, and provide park and recreational programs.

Queen Anne's County has created a commercial district management authority under Title 21, Subtitle 1 of the Local Government Article. The district is for the purpose of security, maintenance and amenities and for the design, approval, and financing of public improvement projects in the district.

Calvert County has created road construction districts under § 12-529 of the Local Government Article, which applies only to Calvert County. A district may be created if two-thirds of the property owners along a road route make a request to the county commissioners. The cost of a project is paid through benefit charges on all real property in the district.

The Crofton Special Community Benefits District in Anne Arundel County was established in part to fund the Crofton Police Department. Special assessments are imposed on real property in the district to finance the department and other community amenities. The department is fully empowered to enforce the laws of the State and the county but is not an agency of the county.

# Appendices

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## Appendix 1. Optional Property Tax Credits – Statewide

Description	Participating Local Governments
Cemetery property dwelling	Baltimore City and Frederick
Energy Devices	Anne Arundel, Baltimore, Harford, and Howard
Historically valuable structures	Anne Arundel, Baltimore City, Charles, Howard, Montgomery, and Washington
Restorations of historic properties	Baltimore City, Baltimore, Calvert, Cecil, Charles, Harford, and Howard
Manufacturing, <i>etc.</i> facilities	Dorchester, Frederick, Somerset, and Talbot
Maryland Agricultural Land Preservation Fund	Cecil, Charles, Garrett, and Queen Anne’s
Newly constructed dwellings	Howard and Washington
<i>Open space or open area</i>	
<i>Operating properties of railroads</i>	
Dwelling of spouse of fallen law enforcement or rescue worker	Anne Arundel, Baltimore, Carroll, Charles, Frederick, Garrett, Harford, Howard, Montgomery, Queen Anne’s, and Washington
<i>Residential flood damage</i>	
<i>Tobacco barns</i>	
Day care providers	Howard and Montgomery
Family child care homes	Howard
Local Homeowners Tax Credit Supplement	Anne Arundel, Baltimore City, Baltimore, Charles, Garrett, Howard, Kent, Montgomery, Somerset, and Washington
Municipal Homeowners Supplement	Caroline
Residential property in airport noise zones	Anne Arundel
Property with erosion control structures	Anne Arundel and Dorchester
Rental dwellings providing reduced rents	Charles
Conservation lands	Baltimore, Calvert, Carroll, Charles, Harford, Howard, Montgomery, Queen Anne’s, Wicomico, and Worcester
Offsets of local income tax increases	Baltimore City, Frederick, and Montgomery
Properties leased/used by religious groups	Anne Arundel, Howard, Montgomery, and Queen Anne’s
Sediment control ponds/stormwater management	Carroll
Real property used by a municipality	Queen Anne’s
<i>Business personal property that is computer software</i>	
<i>Building accommodating advanced computer/telecom system</i>	
Financial incentives for qualified brownfields sites	Anne Arundel, Baltimore City, Baltimore, Dorchester, Frederick, Howard, Montgomery, Queen Anne’s, and Worcester
Businesses that create new jobs	Charles, Frederick, Montgomery, Queen Anne’s, Talbot, and Washington

## Appendix 1 (Continued)

Description	Participating Local Governments
Foreign trade zones	Anne Arundel
Improvements with complete automatic fire protection/sprinkler	Allegany, Howard, and Montgomery
<i>Property of Audubon Naturalist Society</i>	
<i>Vacant or underutilized commercial buildings</i>	
Amateur sport athletic fields	Howard
Rehabilitated property	Anne Arundel, Frederick, and Washington
<i>Property used for practicing dentistry in underserved areas</i>	
Property owned by community associations	Howard and Montgomery
<i>Machinery/equipment of an electricity generation facility</i>	
Buildings located in arts and entertainment districts	Baltimore City, Frederick, Montgomery, Queen Anne's, Washington, and Worcester
Businesses that provide computers for employees for home use	Montgomery
High performance buildings	Anne Arundel, Baltimore City, Baltimore, Howard, Montgomery, and Washington
<i>Repaired or reconstructed dwelling</i>	
Nonprofit swim clubs	Montgomery
Individual at least 65 years old	Charles, Dorchester, Frederick, Howard, Montgomery, and Queen Anne's
<i>Credit against local corporation property taxes</i>	
Property used as a publicly sponsored business incubator	Montgomery
<i>Family assistance dwelling</i>	
<i>Commercial waterfront property</i>	
Property equipped with accessibility features	Howard and Montgomery
<i>Marine trade waterfront property</i>	
Habitat for Humanity property	Anne Arundel, Cecil, Charles, and Harford
Urban agricultural property	Baltimore City
<i>Grocery store in low-income area</i>	
Neighborhood conservation areas	Howard
Rehabilitation of commercial structures	Charles
<i>Personal property tax credit for new or small business</i>	
<i>Elderly individuals or veterans</i>	

Note: Credits in bold/italics have not been enacted in any county.

Source: Department of Legislative Services

**Appendix 2. County Specific Property Tax Credits –  
Optional and Mandatory  
Tax-Property Article, 9-301 through 9-326**

<b>ALLEGANY</b>	
<i>Optional</i>	<i>Mandatory</i>
Frostburg Community Hospital	Personal property owned by a nonprofit TV broadcast translator station
Western Maryland Scenic Railroad	South Cumberland Business and Civic Association
Frostburg Lions Club	Bona fide labor union
La Vale Lions Club Foundation	Real property leased by religious organization to La Vale Athletic Association
Carver Community Center	Improvements to certified historical/agriculturally significant real property
Cumberland Cultural Foundation/Gilchrist Museum	Cresaptown Civic Improvement Association
Allegany County Agricultural Expo	Potomac Park Citizens Committee
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	
<b>ANNE ARUNDEL</b>	
<i>Optional</i>	<i>Mandatory</i>
Nonprofit community civic association or corporation	Ogle Hall, owned by US Naval Academy Alumni Association
Village Commons Community Center Leased by Anne Arundel Community College @ Arundel Mills	Naval Academy Athletic Association property used for athletic purposes
Arundel Habitat for Humanity	Three Rivers Sportsmen
	Maryland Ornithological Society
	Davidsonville Ruritan Foundation
	Real property subject to agricultural land preservation program
<b>BALTIMORE CITY</b>	
<i>Optional</i>	<i>Mandatory</i>
South Baltimore Little League Rehabilitated vacant dwellings Newly constructed dwellings – owner occupied	Real property subject to perpetual conservation easement donated to Maryland Environmental Trust
	Dwelling purchased by homeowner receiving homestead credit (subject to termination provision effective July 1, 2024, Ch. 623/2014)



## Appendix 2 (Continued)

<b>BALTIMORE CITY (Continued)</b>	
Home improvements resulting in increased assessment value	
Newly constructed market-rate rental housing projects	
Vacant or newly constructed dwelling in neighborhood w/35% vacant dwelling rate	
<b>BALTIMORE COUNTY</b>	
<i>Optional</i>	<i>Mandatory</i>
Twin River Protective and Improvement Association	Harford Park Improvement Association
Bowley's Quarters Improvement Association	Lynch Point Improvement Association
Oliver Beach Improvement Association	Chestnut Ridge Improvement Association
Baltimore County Game and Fish Association	Relay Improvement Association
Rockaway Beach Improvement Association	
Carney Rod and Gun Club	
Friends of the Oliver House	
Bird River Beach Community Association	
Harewood Park Community League	
Real property owned by nonprofit community associations, civic league, or recreational or athletic association	
Maryland State Game and Fish Protective Association	
Bowerman-Loreley Beach Community Association	
Civic League of Inverness	
Rosewald Beach Civic League	
<b>CALVERT</b>	
<i>Optional</i>	<i>Mandatory</i>
Building on agricultural property for agricultural use	Calvert Arundel Medical Facility
Owned by Huntingtown Fire Department and leased to United States Postal Service	Agricultural land in agricultural preservation district
American Legion, Calvert Post No. 85	Nonprofit community or civic improvement association
Property owned by members of volunteer fire and rescue company	Calvert County Sportsmen's Club
	Calvert County Fairgrounds
<b>CAROLINE</b>	
<i>Optional</i>	<i>Mandatory</i>
Community Civic League day care facility	Eastern Shore Threshermen and Collectors Association
All personal property	Marshyhope Rod and Gun Club
Caroline County Habitat for Humanity	Maryland Ornithological Society

## Appendix 2 (Continued)

<b>CARROLL</b>	
<i>Optional</i>	<i>Mandatory</i>
Sykesville Little League Principal residence of individuals at least 65 years old with limited income	Nonprofit community or civic improvement association or corporation Historic district property improvements
Renovated/upgraded/rehabilitated property in designated areas	
Property with environmental friendly technologies	
Independent living retirement communities – housing unit property	
<b>CECIL</b>	
<i>Optional</i>	<i>Mandatory</i>
Nonprofit fire company or rescue squad	Society for the Preservation of Maryland Antiquities
Property owned by or leased to a little league organization	Friends of the Library of Cecil County, Maryland
<b>CHARLES</b>	
<i>Optional</i>	<i>Mandatory</i>
Southern Maryland Youth Organization	n/a
Agricultural land in agricultural preservation district	
Habitat for Humanity or similar organization	
Property located in designated target area converted from rental to owner-occupied	
New or expanding business in targeted industry	
Property subject to conservation easement donated to Conservancy for Charles County or other qualified entity	
<b>DORCHESTER</b>	
<i>Optional</i>	<i>Mandatory</i>
Cedar Meadows Rod and Gun Club	Women’s Auxiliary of the Dorchester Memorial Hospital
Cambridge Skeet and Gun Club	Cambridge Little League
Habitat for Humanity of Talbot and Dorchester counties	
<b>FREDERICK</b>	
<i>Optional</i>	<i>Mandatory</i>
Nonprofit community or civic association or corporation	Frederick Optimist Boy’s Foundation
Audubon Society of Central Maryland	Emmitsburg Civic Association
Agricultural preservation land	Improvements to real property in historic district
Building on agricultural land used for agricultural activities	

## Appendix 2 (Continued)

<b>GARRETT</b>	
<i>Optional</i>	<i>Mandatory</i>
Garrett County Memorial Hospital, Board of Governors	Carey Run Sanctuary Swanton Community Center
Avilton Community Association	Crellin Community Center
Agricultural land in agricultural preservation district	Bittinger Community Center
Garrett County Community Action Committee Adventure Sports Center Commercial/industrial property – new construction/improvements St. Ann Mission	Garrett County Agricultural Fair Association
<b>HARFORD</b>	
<i>Optional</i>	<i>Mandatory</i>
Community association property used as a park, playground, or picnic area	n/a
Habonim Camp Association Company	
Maryland Ornithological Society	
North Harford Game and Fish Association, Wheeler Road	
Ladew Topiary Gardens	
Havre de Grace Little League	
Agricultural district property subject to certain agricultural preservation easement (July 1, 1988+)	
Harford County volunteer fire or ambulance company	
Specified residential property adversely impacted by proximity to refuse disposal system	
Harford County Agricultural District property subject to certain agricultural preservation easement (July 1, 1993+)	
Commercial/industrial property – new construction/improvements	
Rural Legacy Area; development rights sold	
Subdivided family farm; conveyed under child lot exclusion	
Continuing care facility for the aged	
<b>HOWARD</b>	
<i>Optional</i>	<i>Mandatory</i>
Community association property used for community, civic, educational, library, or park purpose	n/a
Property subject to agricultural land preservation program	

## Appendix 2 (Continued)

<b>HOWARD (Continued)</b>	
Commercial/industrial property – new construction/improvements	
Therapeutic riding facility	
Residential property owned by individual + housing commission	
Renovated/upgraded/rehabilitated property in designated areas	
<b>KENT</b>	
<i>Optional</i>	<i>Mandatory</i>
n/a	n/a
<b>MONTGOMERY</b>	
<i>Optional</i>	<i>Mandatory</i>
Enterprise zone	Personal property – nonprofit, nonstock cooperative housing corporation
	Nonprofit community theatrical organization
<b>PRINCE GEORGE’S</b>	
<i>Optional</i>	<i>Mandatory</i>
<b>**County has not responded as to whether credits authorized (23) have been locally enacted</b>	Maryland Jaycees
	Prince George’s County Chamber of Commerce Foundation
<b>QUEEN ANNE’S</b>	
<i>Optional</i>	<i>Mandatory</i>
Wildfowl Trust of North America	Ingleside Community Group
Business property improvements that result in additional jobs	Lion’s Club of Kent Island
	Price Community Club
	Ruthsburg Community Club
	Sudlersville Community Betterment Club
	Templeville Community Association
	William T. Roe Memorial Range
	Kent Island Volunteer Fire Department
	Maryland Jaycees
<b>ST. MARY’S</b>	
<i>Optional</i>	<i>Mandatory</i>
Real property subject to county land preservation program	n/a
Former tobacco barn subject tobacco buyout agreement	

## Appendix 2 (Continued)

<b>SOMERSET</b>	
<i>Optional</i>	<i>Mandatory</i>
Crisfield Heritage Foundation	n/a
<b>TALBOT</b>	
<i>Optional</i>	<i>Mandatory</i>
Chesapeake Audubon Society	Academy of the Arts – Easton
Real and Personal property of Chesapeake Wildlife Heritage Habitat for Humanity of Talbot & Dorchester counties	Bailey’s Neck Park Association Maryland Ornithological Society Tuckahoe Steam and Gas Association
<b>WASHINGTON</b>	
<i>Optional</i>	<i>Mandatory</i>
New construction/improvements to existing property	District 15 Civic Association – Big Pool
Nonprofit civic association	Improvements to structure in historic district
Women’s Club of Hagerstown	
Rohrersville Cornet Band of Washington County	
Hagerstown Soccer Club	
Personal property owned by Mid-East Milk Lab Services	
Real property subject to agricultural land preservation program	
Qualifying commercial/industrial business	
Renovated/rehabilitated business in priority funding area	
New/expanding business that creates jobs	
Disabled veterans/surviving spouses (eff. FY17)	
<b>WICOMICO</b>	
<i>Optional</i>	<i>Mandatory</i>
n/a	n/a
<b>WORCESTER</b>	
<i>Optional</i>	<i>Mandatory</i>
Berlin Community Improvement Association	n/a
Ocean City, Maryland Chamber of Commerce	

Source: Department of Legislative Services

### Appendix 3. 2016 Statewide Tax Increment Financing Projects

<u>County</u>	<u>Project Name</u>	<u>Original Value</u>	<u>Jul-14</u>	<u>Jul-15</u>	<u>Jul-16</u>
<b>Allegany</b>	Shades Lane Development District	\$480,000		\$160,000	\$128,000
	County Total	480,000		160,000	128,000
	Original Value			480,000	480,000
	<b>County TIF</b>			<b>-\$320,000</b>	<b>-\$352,000</b>
<b>Anne Arundel</b>	Arundel Mills	\$14,713,200	\$946,328,907	\$982,592,501	\$1,020,158,900
	National Business	37,594,700	726,472,869	752,382,897	782,034,700
	Nat'l Bus North	9,921,922	98,578,567	122,398,133	146,217,700
	Nursery Rd	68,883,983	634,428,484	696,104,153	730,307,000
	Odenton	463,522,637		672,248,225	724,218,400
	Park Place	6,330,961	154,059,500	153,331,634	159,878,366
	Parole	653,860,535	2,452,175,931	2,492,431,797	2,593,999,095
	Waugh Chapel	909,907	147,334,612	173,744,842	190,174,000
	County Total	1,255,737,845	5,159,378,870	6,045,234,182	6,346,988,161
	Excluding Park Place	6,330,961	154,059,500	153,331,634	159,878,366
	Original Value	1,249,406,884	5,005,319,370	5,891,902,548	6,187,109,795
<b>County TIF</b>		<b>\$4,219,435,123</b>	<b>\$4,642,495,664</b>	<b>\$4,937,702,911</b>	
<b>Annapolis</b>	Park Place	\$6,330,961	\$154,059,500	\$153,331,634	\$159,878,366
	Original Value		6,330,961	6,330,961	6,330,961
	<b>Annapolis TIF</b>		<b>\$147,728,539</b>	<b>\$147,000,673</b>	<b>\$153,547,405</b>
<b>Baltimore City</b>	Harborview	\$7,079,100	\$40,084,400	\$48,864,200	\$48,765,700
	Strathdale Manor	937,300	28,818,600	28,470,600	28,499,300
	Belvedere Square	2,992,400	9,002,000	9,002,000	9,460,000
	Clipper Mills	823,200	36,683,800	37,601,300	40,729,200
	North Locust Point	4,182,800	59,198,300	60,176,200	60,176,200
	Mondawmin	29,612,700	65,008,800	65,008,800	66,127,700
	Baltimore Convention Center Hotel	10,094,600	163,991,300	169,487,700	169,487,700
	East Baltimore	3,478,000	12,151,400	12,151,500	10,518,600
	Harbor Point	11,116,200		89,943,200	96,542,800
	Poppleton	1,180,400		8,946,200	8,956,000
	City Total	71,496,700	414,938,600	529,651,700	539,263,200
Original Value		71,496,700	71,496,700	71,496,700	
<b>City TIF</b>		<b>\$343,441,900</b>	<b>\$458,155,000</b>	<b>\$467,766,500</b>	

**Appendix 3 (Continued)**

<u>County</u>	<u>Project Name</u>	<u>Original Value</u>	<u>Jul-14</u>	<u>Jul-15</u>	<u>Jul-16</u>
<b>Baltimore</b>	Metro Centre at Owings Mills	\$0	\$30,539,433	\$30,788,167	\$31,036,900
	County Total	0	30,539,433	30,788,167	31,036,900
	Original Value		0	0	0
	<b>County TIF</b>		<b>\$30,539,433</b>	<b>\$30,788,167</b>	<b>\$31,036,900</b>
<b>Frederick</b>	Toy R-Us	\$1,880,100		\$36,396,300	\$39,396,300
	Jefferson Tech Park	3,932,300		16,742,936	23,816,900
	Oakdale – Lake Linganore	5,544,967		5,544,967	5,843,500
	County Total	11,357,367		58,684,203	69,056,700
	Original Value			11,357,367	11,357,367
	<b>County TIF</b>			<b>\$47,326,836</b>	<b>\$57,699,333</b>
<b>Harford</b>	Beechtree Project	\$16,332,500	\$67,719,400	\$80,666,000	\$96,543,000
	County Total	16,332,500	67,719,400	80,666,000	96,543,000
	Original Value		16,332,500	16,332,500	16,332,500
	<b>County TIF</b>		<b>\$51,386,900</b>	<b>\$64,333,500</b>	<b>\$80,210,500</b>
<b>Howard</b>	Annapolis Junction Town Center	\$1,608,000	\$7,830,600	\$7,884,200	\$7,937,800
	Original Value		1,608,000	1,608,000	1,608,000
	<b>County TIF</b>		<b>\$6,222,600</b>	<b>\$6,276,200</b>	<b>\$6,329,800</b>
<b>Prince George</b>	Brandywine Crossing	\$5,316,360	\$31,733,867	\$36,136,534	\$36,611,000
	Camp Springs	25,925,600	34,005,700	73,967,867	77,794,633
	Kingdom Square	11,982,100	29,347,300	30,088,534	30,829,766
	Largo Town Center	128,547,333	129,214,000	138,268,233	135,750,967
	National Harbor	11,778,980	850,230,900	939,189,000	1,059,480,566
	Suitland-Naylor Rd	413,238,931	423,063,800	687,322,385	721,664,782
	Woodmore Town Center (Glenarden 87)	5,291,432	143,613,700	156,985,269	161,262,631
	County Total	602,080,736	1,641,209,267	2,061,957,822	2,223,394,345
	Glenarden	5,291,432	143,613,700	156,985,269	161,262,631
		596,789,304	1,497,595,567	1,904,972,553	2,062,131,714
	Original Value		596,789,304	596,789,304	596,789,304
	<b>County TIF</b>		<b>\$900,806,263</b>	<b>\$1,308,183,249</b>	<b>\$1,465,342,410</b>
	Glenarden	\$5,291,432	\$143,613,700	\$156,985,269	\$161,262,631
Original Value		5,291,432	5,291,432	5,291,432	
<b>County TIF</b>		<b>\$138,322,268</b>	<b>\$151,693,837</b>	<b>\$155,971,199</b>	
	Riverdale Park (city only)			\$6,517,900	\$6,517,900

### Appendix 3 (Continued)

<u>County</u>	<u>Project Name</u>	<u>Original Value</u>	<u>Jul-14</u>	<u>Jul-15</u>	<u>Jul-16</u>
<b>Wicomico</b>	Villages at Aydelotte Farm Development District	\$1,104,700	\$10,280,033	\$10,456,000	\$9,986,805
	Village at Salisbury Lake Development District	4,335,200	3,898,000	3,898,000	3,690,000
	<b>County Total</b>	<b>5,439,900</b>	<b>14,178,033</b>	<b>14,354,000</b>	<b>13,676,805</b>
	Original Value		5,439,900	5,439,900	5,439,900
	<b>County TIF</b>		<b>\$8,738,133</b>	<b>\$8,914,100</b>	<b>\$8,236,905</b>

TIF: tax increment financing

Source: State Department of Assessments and Taxation