

ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET

BILL NO: 69 - 16

DATE: September 19, 2016

FISCAL NOTE

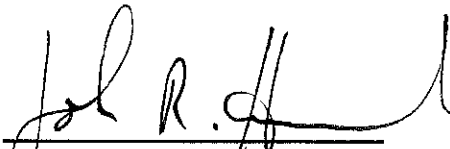
BILL: AN ORDINANCE CONCERNING: PROPERTY TAXES, CAPITAL FACILITY CONNECTION CHARGES AND DEFERRALS, STORMWATER REMEDIATION FEES – INTEREST & PENALTIES

SUMMARY OF LEGISLATION

The purpose of this legislation is to change the interest rate charged on overdue property tax payments and capital facility connection charges from 1% to 0.5% and to add a 0.5% penalty.

FISCAL IMPACT

There is no fiscal impact from the revenue collection standpoint as we will still be collecting 1% per month in total for interest and penalties. However, there is a positive fiscal impact on property tax refunds due to errors in SDAT assessments. Instead of having to pay 1% interest on refunds, we only have to pay the 0.5% which would reduce the interest on property tax refunds by half. For example, in FY15, we paid \$456,000 of interest on property tax refunds; this bill would reduce that to \$228,000



John Hammond
Budget Officer

9/19/2016
Date

cc: Julie Mussog, Controller
Prepared by: Hujia Hasim