

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 122 (Senator Guzzone)
Budget and Taxation

Property Tax Credits - Real Property Used for Robotics Programs

This bill authorizes local governments to grant, by law, a property tax credit for real property that is used for the purposes of a public school robotics program or nonprofit robotics program in the State. Local governments are authorized to provide, by law, (1) for the amount and duration of the tax credit; (2) additional eligibility criteria for the tax credit; and (3) any other provision necessary to carry out the tax credit. **The bill takes effect June 1, 2019, and applies to taxable years beginning after June 30, 2019.**

Fiscal Summary

State Effect: None.

Local Effect: Local property tax revenues decrease beginning in FY 2020 to the extent the property tax credit is granted. Local expenditures are not affected.

Small Business Effect: Potential meaningful.

Analysis

Background: Chapters 681 and 682 of 2016 establish a Robotics Grant Program to provide grants to public schools and nonprofit robotics clubs to support existing robotics programs in the State and increase the number of robotics programs in the State. A school is eligible to receive a grant through the program if the school is proposing a new robotics program or club or has an existing robotics program or club. An existing nonprofit robotics club is eligible to receive a grant if it is associated with a public school. The Governor must appropriate at least \$250,000 in the annual State budget for the program. The Maryland

State Department of Education must implement and administer the program, and may adopt regulations to implement the program.

The Governor's proposed fiscal 2020 budget includes \$250,000 for the program.

Local Fiscal Effect: Local government property tax revenues decrease beginning in fiscal 2020 to the extent the property tax credit is authorized. The amount of the decrease depends on the number of properties that are used for the purposes of a public school or nonprofit robotics program and the amount of the property tax credits granted.

There are numerous robotics programs throughout the State. Many public schools offer robotics programs as well as entities such as the Rockville Science Center, Maryland Out of School Time, the Baltimore Robotics Club, and the Baltimore Robotics Center. The University of Maryland College Park, through its College Park Scholars Science Technology and Society Program, works with the Prince George's County Public School System to design and deliver robotics-based STEM education programs.

In order for a property to be eligible for the property tax credit under the bill, the property must be used for the purpose of a public school or nonprofit robotics program in the State. Robotics programs that currently use public school facilities would already be exempt from State and local property taxes. It is not known how many properties may be currently eligible for the property tax credit.

Additional Information

Prior Introductions: SB 179 of 2018 received a favorable with amendments report from the Senate Budget and Taxation Committee and passed the Senate. The bill received a hearing in the House Ways and Means Committee, but no further action was taken.

Cross File: HB 160 (Delegate Ebersole, *et al.*) - Ways and Means.

Information Source(s): Worcester County; Maryland Association of Counties; City of Salisbury; City of Westminster; Maryland Municipal League; Town of Leonardtown; State Department of Assessments and Taxation; Baltimore City Public Schools; Anne Arundel County Public Schools; Montgomery County Public Schools; Department of Legislative Services

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