

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 731 (Prince George's County Delegation)
Ways and Means

Prince George's County - Property Tax - Municipal Corporations -
Residential Property
PG 406-96

This bill prohibits Prince George's County from imposing a county property tax in a municipality for any services the municipality provides for the resident.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues would decrease by an indeterminate significant amount as discussed below. Expenditures would not be affected.

Fiscal Analysis

Local Revenues: Currently, Prince George's County provides each of its 27 municipalities an annual tax rate differential. A tax rate differential means that the county property tax rate is reduced in each municipality by an amount based on the level of services provided by the municipality in lieu of county services. Under the current program, the county provides only a partial offset for services provided by the municipalities in lieu of county services. The magnitude of the program in fiscal 1996 is approximately \$11.2 million. Under the bill's provisions, the county would be prohibited from imposing a county property tax in municipalities for any service the municipality provides for its residents. Accordingly, county revenues would decrease. The extent of the decrease depends upon the level of services not offset by the tax rate differential under the existing program and the impact of these services on the county's property tax revenues. At this time, this information is not available.

Information Source(s): Prince George's County, Department of Fiscal Services

Fiscal Note History: First Reader - February 8, 1996

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