

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 617

(Montgomery County Delegation and Prince George's
County Delegation)

Environmental Matters

Maryland-Washington Metropolitan District and Regional District - Boundaries -
City of Laurel
MC/PG 108-11

This bill modifies the boundaries of the Maryland-Washington Regional District and the Maryland-Washington Metropolitan District to exclude the City of Laurel, as its corporate boundaries are defined as of July 1, 2011.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: None.

Local Effect: Maryland-National Capital Park and Planning Commission (M-NCPPC) tax revenues decrease by \$401,000 annually beginning in FY 2012 from a reduction in the assessable base. Expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: Currently, the boundaries of the Maryland-Washington Regional District do not include the City of Laurel, as its corporate boundaries are defined as of July 1, 2008. The boundaries of the Maryland-Washington Metropolitan District do not include the City of Laurel, as its corporate boundaries are defined as of July 1, 1997.

Chapter 303 of 2008 modified the boundaries of the Maryland-Washington Regional District to exclude the City of Laurel, as its corporate boundaries were defined as of July 1, 2008. Prior to the enactment of Chapter 303, the boundaries of the Maryland-Washington Regional District did not include the City of Laurel, as its corporate boundaries were defined as of July 1, 1994.

Background: M-NCPPC is a bi-county agency serving Montgomery and Prince George’s counties that was empowered by the State in 1927 to acquire and administer a regional system of parks within the Maryland-Washington Regional District and administer a general plan for the physical development of the area. In 1970, M-NCPPC became responsible for managing the Prince George’s County public recreation program. M-NCPPC imposes four special property taxes on property in Prince George’s County. The fiscal 2011 property tax rates and revenues for these four M-NCPPC taxes are shown in **Exhibit 1**.

Exhibit 1
M-NCPPC Property Tax Rates and Revenues
In Prince George’s County

	<u>Real Property</u> <u>Tax Rate</u>	<u>Revenue</u> <u>Amount</u>
Recreation Tax (Countywide)	\$0.0592	\$56,506,000
Advance Land Acquisition Tax (Countywide)	0.0013	1,239,400
Administration Tax (Regional District)	0.0466	43,264,500
Park Tax (Metropolitan District)	0.1719	152,690,200
Total	\$0.2790	\$253,700,100

The recreation and the advance land acquisition taxes are imposed countywide. The administration tax is used to fund general administration and planning and is only imposed in the regional district, from which the City of Laurel is mostly excluded. The park tax is imposed in the metropolitan district, from which the Town of District Heights, City of Greenbelt, and City of Laurel are mostly excluded.

Local Fiscal Effect: By excluding land that has been annexed by the City of Laurel between July 1, 2008, and July 1, 2011, for the regional district, and between July 1, 1997, and July 1, 2011, for the metropolitan district, the owners of these areas would not be subject to the regional district administration property tax or the metropolitan district park tax, respectively.

With regards to the regional district, there are approximately 45 acres of mostly undeveloped land in areas annexed by the City of Laurel since 2008, however there are some accounts with improvements within the 45 acres. M-NCPPC advises that altering the boundaries of the regional district to exclude those areas would result in a revenue loss of approximately \$1,050 beginning in fiscal 2012.

The City of Laurel reports that there are 441 properties that have been annexed by the city, but are still part of the metropolitan district. M-NCPPC advises that altering the boundaries of the metropolitan district to exclude those areas would result in a revenue loss of approximately \$400,000 beginning in fiscal 2012.

M-NCPPC also indicates that there are approximately 135 buildable lots in the City of Laurel, that should these lots be developed, could reduce M-NCPPC revenues by an additional \$82,600 in future years.

The City of Laurel advises that while the bill does not fiscally impact the city itself, it does affect the city's residents in areas annexed since July 1, 2008, for the regional district and July 1, 1997, for the metropolitan district, who are currently required to pay additional taxes.

Additional Information

Prior Introductions: A similar bill, SB 1026 of 2010, received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken. Its cross file, HB 581, was referred to the House Environmental Matters Committee, but no further action was taken.

Cross File: SB 438 (Senator Rosapepe) - Education, Health, and Environmental Affairs.

Information Source(s): Montgomery and Prince George's counties, City of Laurel, Maryland-National Capital Park and Planning Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 10, 2011
mc/hlb

Analysis by: Michael Sanelli

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