

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 191

(Senator A. Washington)

Budget and Taxation

Ways and Means

Prince George's County - Public School Employees Property Tax Credit and
Office of Integrity and Compliance
PG 503-24

This bill authorizes Prince George's County to provide a real property tax credit against the dwelling of an eligible employee of the Prince George's County Public School System (PGCPS) who purchases a home after relocating to the county. The bill also specifies that (1) the Office of Integrity and Compliance (OIC) is an independent office in PGCPS and (2) the Integrity and Compliance Officer serves as an independent employee within PGCPS. The office may employ staff in order to execute the duties of the office. **The bill takes effect June 1, 2024, and applies to taxable years beginning after June 30, 2024.**

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County property tax revenues decrease beginning in FY 2025 to the extent the property tax credit is granted. The amount of the revenue decrease depends on the number of eligible homeowners, the taxable assessment of each eligible property, the amount of each property tax credit that is granted, and the county property tax rate. County expenditures are not directly affected.

Small Business Effect: None.

Analysis

Bill Summary: Prince George's County may grant, by law, a property tax credit against the county property tax imposed on a dwelling that is owned by an eligible employee who did not reside in the county before purchasing the dwelling for which the credit is claimed

and is otherwise eligible for the homestead property tax credit. The amount of the property tax credit may not exceed the lesser of \$2,500 or the amount of the property tax imposed on the dwelling.

Prince George's County may establish (1) the amount of the property tax credit; (2) the duration of the property tax credit; (3) additional eligibility requirements for eligible employees to qualify for the property tax credit; (4) procedures for the application and uniform processing of requests for the property tax credit; and (5) any other provision necessary to carry out the property tax credit.

On or before the date that is five years after the effective date of a local law passed by the Prince George's County Council that establishes the property tax credit, the Prince George's County government must submit a report to the Prince George's County Delegation, the Prince George's County Senators, the Prince George's County Council, and the Prince George's County Executive that states the number of PGCPS employees who received the tax credit in the preceding five years.

An eligible employee is defined as an employee of PGCPS who has been a full-time employee for at least two years and owns a dwelling in the county. An eligible employee does not include individuals who supply goods or services to PGCPS on a contractual basis.

Current Law: Chapter 792 of 2023 established OIC in PGCPS. OIC is required to (1) assist the county council and the local school system by providing independent evaluation and recommendations regarding opportunities to preserve the local school system's reputation and improve the effectiveness, productivity, or efficiency of school system programs, policies, practices, and operations; (2) ensure public accountability by preventing, investigating, and reporting instances of fraud, waste, and abuse of school system property or funds; (3) examine, evaluate, and report on the adequacy and effectiveness of the systems of internal controls and their related accounting, financial, technology, and operational policies; and (4) report noncompliance with and propose ways to improve employee compliance with applicable law, policy, and ethical standards of conduct.

In developing recommendations, OIC is authorized to (1) conduct administrative investigations; budgetary analyses; and financial, management, or performance audits and similar reviews; (2) provide management advisories; and (3) utilize the assistance from any other government agency or private party to complete a project initiated by the office.

OIC must also coordinate with the school system, taking into consideration requests from specified members of the community, to develop a written work plan and to establish periodic goals and priorities for OIC based on an assessment of relative risks.

Prince George’s County advises that the salary and fringe benefits of the Integrity and Compliance Officer is paid by PGCPs. The salary and fringe benefits for OIC total \$316,502 for fiscal 2024 and \$324,415 for fiscal 2025.

Local Revenues: Prince George’s County property tax revenues decrease beginning in fiscal 2025 to the extent the property tax credit is granted. The amount of the revenue decrease depends on the number of eligible homeowners, the taxable assessment of each eligible property, the amount of each property tax credit that is granted, and the county property tax rate.

As a point of reference, the Maryland State Department of Education indicates that as of October 2022, PGCPs had 17,880 employees. The Prince George’s County real property rate for fiscal 2024 is \$1.374 per \$100 of assessment. In fiscal 2023, the median residential sales price in Prince George’s County was \$430,000.

Additional information on local property tax rates and revenues can be found in the [County Revenue Outlook Report – Fiscal 2024](#). A copy of the report is available on the Department of Legislative Services website.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Prince George’s County; State Department of Assessments and Taxation; Maryland State Department of Education; Prince George’s County Public Schools; Department of Legislative Services

Fiscal Note History: First Reader - January 23, 2024
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