

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 1112

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike in its entirety line 2 and substitute "Task Force to Study County Property Tax Setoffs to Compensate for Double Taxation of Municipal Taxpayers"; strike beginning with "providing" in line 3 down through "corporations" in line 14 and substitute "establishing a Task Force to examine issues relating to taxes that municipal property owners are paying for parallel services they do not receive from county governments, service delivery efficiency, and tax equity; providing for the membership, cochairmen, staffing, and responsibilities of the Task Force; requiring a certain report; and generally relating to the establishment of a Task Force to Study County Property Tax Setoffs"; and strike in their entirety lines 15 through 24, inclusive, and substitute:

"Preamble

WHEREAS, The owners of property located within incorporated cities and towns pay property taxes to both a municipal government and a county government; and

WHEREAS, The property tax revenues collected by a county government are frequently used to pay for parallel services provided by both a municipal government and a county government; and

WHEREAS, Such parallel services may commonly include police and fire protection, road maintenance, parks and recreation, code enforcement, solid waste collection, and planning and zoning; and

WHEREAS, A situation of double taxation exists in a county when a municipal government provides services in lieu of county property-tax-funded services provided to other areas outside the municipal corporation and municipal property owners go uncompensated or undercompensated for the duplicate taxes they pay; and

(Over)

WHEREAS, There are issues relating to tax equity, service delivery efficiency and service duplication; and

WHEREAS, This potentially inequitable treatment of municipal property taxpayers needs to be studied and addressed by the General Assembly; now, therefore, ”.

AMENDMENT NO. 2

On page 1, in line 26, strike “the Laws of Maryland read as follows”.

On pages 1 through 6, strike in their entirety the lines beginning with line 27 on page 1 through line 17 on page 6 and substitute:

“(a) There is a Task Force to Study County Property Tax Setoffs. The Task Force shall examine issues relating to taxes that municipal property owners are paying for parallel services they do not receive from county governments, service delivery efficiency, and tax equity.

(b) The Task Force consists of:

(1) Four Delegates appointed by the Speaker, each of whom shall represent one or more municipal corporations;

(2) Four Senators appointed by the President, each of whom shall represent one or more municipal corporations;

(3) Three county officials appointed by the Maryland Association of Counties, one of whom shall be a finance director in a county;

(4) Three municipal officials appointed by the Maryland Municipal League, one of whom shall be a finance director in a municipal corporation;

(5) The Chief Judge of the Office of Administrative Hearings or the Chief Judge’s designee;

(6) The Director of the Department of Assessments and Taxation or the Director’s

designee; and

(7) The Director of the Revenue Administration Division of the Office of the Comptroller or the Director's designee.

(c) The Speaker and President shall appoint Cochairmen of the Task Force from among the legislators.

(d) (1) The Department of Fiscal Services, with the cooperation of the Institute for Governmental Services at the University of Maryland, shall provide staff to the Task Force.

(2) Copies of all meeting notices and other written materials provided to the Task Force shall also be provided to the executive directors of the Maryland Municipal League and the Maryland Association of Counties.

(e) The purpose of the Task Force is to:

(1) Determine the current distribution of property tax burdens for parallel services provided by county and municipal governments;

(2) Determine the methodologies that may be used to offset the impacts of double taxation; and

(3) Develop legislative recommendations to encourage cooperation between county and municipal governments with regard to:

(i) The equitable treatment of property taxpayers where double taxation exists;

(ii) Local income tax distributions;

(iii) Other shared tax distributions;

(iv) Police aid distributions;

(Over)

(v) Accountability for service efficiency; and

(vi) Efficiency loss from service duplication.

(f) On or before December 15, 1997, the Task Force shall submit a report to the Senate Budget and Taxation Committee and the House Committee on Ways and Means, in accordance with § 2-1312 of the State Government Article.”.

On page 6, in line 19, strike “October” and substitute “June”.