

---

**By: Senator Dorman**

Introduced and read first time: January 31, 1997

Assigned to: Select Committee No. 7

---

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland-National Capital Park and Planning Commission - Prince George's County -**  
3 **Tax Proceeds for Education and General Fund Programs**

4 FOR the purpose of limiting the total assessment of certain taxes on certain assessed  
5 property in Prince George's County; providing for the application of certain  
6 proceeds of certain taxes; requiring certain percentages of certain tax proceeds to  
7 be dedicated to support certain educational and general fund programs in Prince  
8 George's County; requiring Prince George's County to maintain the use of certain  
9 tax proceeds in comparison with the previous fiscal year to remain eligible for  
10 certain proceeds; providing that certain tax proceeds dedicated to support certain  
11 educational programs in Prince George's County may not be included in certain  
12 funds the county is required to appropriate; providing for the termination of this  
13 Act; and generally relating to the levying of certain taxes in Prince George's County.

14 BY repealing and reenacting, with amendments,  
15 Article 28 - Maryland-National Capital Park and Planning Commission  
16 Section 6-106, 6-107, and 7-106(e)  
17 Annotated Code of Maryland  
18 (1993 Replacement Volume and 1996 Supplement)

19 BY adding to  
20 Article 28 - Maryland-National Capital Park and Planning Commission  
21 Section 6-106.1  
22 Annotated Code of Maryland  
23 (1993 Replacement Volume and 1996 Supplement)

24 Preamble

25 WHEREAS, The quality of education provided to our children and the welfare of  
26 our citizens in Prince George's County require adequate funding to ensure the future  
27 needs of the citizens of Prince George's County; and

28 WHEREAS, As a result of little or no growth in the Prince George's County tax  
29 base resulting in stagnant property taxes; and

2

1 WHEREAS, The County income from any tax source is frozen until the next  
 2 general election; now, therefore,

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 4 MARYLAND, That the Laws of Maryland read as follows:

5 **Article 28 - Maryland-National Capital Park and Planning Commission**

6 6-106.

7 (a) Montgomery County shall levy against all of the property within that portion  
 8 of the metropolitan district within Montgomery County assessed for the purposes of  
 9 county taxation annually a tax of nine cents on each \$100 of assessed valuation. The tax  
 10 shall be levied notwithstanding the fact that no interest may be due on any bonds and/or  
 11 notwithstanding the fact that no bonds have been issued under this title. Every 60 days  
 12 the tax so levied and collected to date by the county shall be remitted to the Commission.  
 13 The proceeds of the nine cents tax, after providing for debt service on bonds issued  
 14 pursuant to §§ 6-101 and 6-105 of this title may be used by the Commission for policing  
 15 the several parks or other areas under its jurisdiction and/or for the purpose of  
 16 acquisition, development, beautification, or maintenance of parks and/or other areas  
 17 and/or the establishment therein of playground and recreational facilities as the  
 18 Commission determines. In addition to the foregoing nine cents mandatory tax,  
 19 Montgomery County may levy against all property within that portion of the metropolitan  
 20 district within Montgomery County assessed for the purposes of county taxation annually  
 21 a tax of two cents on each \$100 of assessed valuation; this additional two cents tax shall be  
 22 in lieu of, and in complete satisfaction of, any and all obligations of the county to pay for  
 23 any part of the maintenance of the Commission's park system pursuant to § 8 of Chapter  
 24 761 of the Laws of Maryland, 1953, and all agreements executed pursuant to the terms of  
 25 that law.

26 (b) SUBJECT TO § 6-106.1 OF THIS SUBTITLE, Prince George's County may levy,  
 27 collect and pay over to the Commission any or all of the taxes authorized in subsection (a)  
 28 in like manner and upon the same basis as set forth in subsection (a), in which event all  
 29 the provisions of subsection (a) apply equally to both counties.

30 (c) [Of] SUBJECT TO § 6-106.1 OF THIS SUBTITLE, OF the tax which Prince  
 31 George's County is authorized to levy in this title, the county shall levy in each fiscal year  
 32 at least ten cents on each \$100 of assessed value of all property subject to assessment and  
 33 taxation by the county within that portion of the metropolitan district lying within Prince  
 34 George's County. The tax shall be levied and paid over to the Commission in the manner  
 35 prescribed elsewhere in this title. The proceeds of the collection of the tax shall be  
 36 applied primarily to the payment of the principal and interest of any bonds heretofore or  
 37 hereafter issued by the Commission for the acquisition of park lands in that portion of the  
 38 metropolitan district lying within Prince George's County pursuant to the authority of this  
 39 title and within the limitations on indebtedness prescribed in this title. However, the  
 40 proceeds of the tax shall also be paid to the Commission notwithstanding the fact that no  
 41 principal or interest payments may be due with respect to any bonds and notwithstanding  
 42 the fact that no bonds may be issued or outstanding in any one fiscal year. It is the intent  
 43 of this subsection to provide the Commission with funds to finance the acquisition of park  
 44 lands within that portion of the metropolitan district lying within Prince George's County,  
 45 either from current revenues or by the issue of bonds, and furthermore, to provide the

3

1 Commission with funds necessary for the maintenance, operation, and development of  
 2 park land so acquired.

3 (d) The County Council of Montgomery County and the County Council of Prince  
 4 George's County may levy an ad valorem tax in Prince George's County and in  
 5 Montgomery County annually, in addition to all other taxes levied, for the benefit of and  
 6 on behalf of the Commission, upon all the property within the metropolitan district  
 7 assessed for county taxation purposes, as the metropolitan district is defined at the time  
 8 of the levy. Each county is authorized to pay the aggregate amount collected by the tax to  
 9 the Commission as they pay other funds collected by taxation for the benefit of the  
 10 Commission. The proceeds of the tax shall be expended by the Commission for the  
 11 acquisition, maintenance, development, and operation of the park systems in the  
 12 counties, as well as the debt service required by its outstanding bonds or bonds issued in  
 13 the future. The Commission shall expend or disburse that proportion of tax collected  
 14 from Montgomery County within Montgomery County and that proportion collected from  
 15 Prince George's County within Prince George's County.

16 (e) [In] SUBJECT TO § 6-106.1 OF THIS SUBTITLE, IN each fiscal year beginning  
 17 July 1, 1970, Prince George's County may levy against all of the property in Prince  
 18 George's County assessed for the purposes of county taxation, annually, a tax for  
 19 recreation. Every 60 days the tax so levied and collected to date by the county shall be  
 20 remitted to the Commission. The proceeds of the tax shall be used by such Commission to  
 21 finance its adopted budget for the purpose of regulating, operating and maintaining  
 22 recreation functions, programs, facilities and personnel in Prince George's County as  
 23 such Commission may determine. A tax of not less than five cents on each \$100 of  
 24 assessed valuation shall be levied for recreation.

25 (f) Taxes authorized under subsections (a), (b), (c), and (d) of this section shall  
 26 be levied and collected as county taxes are levied and collected. These taxes shall have the  
 27 same priority rights, bear the same interest and penalties, and in every other respect be  
 28 treated the same as county taxes.

29 6-106.1.

30 (A) IN PRINCE GEORGE'S COUNTY, ALL TAXES THAT ARE LEVIED ANNUALLY  
 31 AGAINST THE ASSESSABLE PROPERTY IN PRINCE GEORGE'S COUNTY UNDER §§ 6-106,  
 32 6-107(A), AND 7-106(E)(2) OF THIS ARTICLE MAY NOT EXCEED A TOTAL ASSESSMENT  
 33 OF 61 CENTS ON EACH \$100 OF ASSESSED VALUE OF ALL PROPERTY SUBJECT TO ALL  
 34 OF THE TAXES DESCRIBED IN THIS SECTION.

35 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE PROCEEDS  
 36 OF THE COLLECTION OF THE TAXES LEVIED IN PRINCE GEORGE'S COUNTY UNDER  
 37 §§ 6-106, 6-107(A), AND 7-106(E)(2) OF THIS ARTICLE SHALL BE APPLIED AS DESCRIBED  
 38 IN THOSE SECTIONS.

39 (2) SUBJECT TO SUBSECTION (C) OF THIS SECTION, OF THE PROCEEDS  
 40 OF THE COLLECTION OF THE TAXES LEVIED IN PRINCE GEORGE'S COUNTY UNDER  
 41 §§ 6-106, 6-107(A), AND 7-106(E)(2) OF THIS ARTICLE:

42 (I) 11.5 PERCENT SHALL BE DEDICATED TO SUPPORT  
 43 EDUCATIONAL PROGRAMS IN PRINCE GEORGE'S COUNTY; AND

4

1 (II) 4.9 PERCENT SHALL BE DEDICATED TO SUPPORT GENERAL  
2 FUND PROGRAMS IN PRINCE GEORGE'S COUNTY.

3 (C) PRINCE GEORGE'S COUNTY SHALL MAINTAIN ITS FISCAL EFFORT WITH  
4 THE USE OF TAX PROCEEDS UNDER SUBSECTION (B)(2) OF THIS SECTION FOR  
5 EDUCATIONAL AND GENERAL FUND PROGRAMS, COMPARED WITH THE AMOUNT  
6 EXPENDED IN THE PREVIOUS FISCAL YEAR, TO CONTINUE TO BE ELIGIBLE TO  
7 RECEIVE THE PROCEEDS.

8 (D) TAX PROCEEDS DEDICATED TO EDUCATIONAL PROGRAMS UNDER  
9 SUBSECTION (B)(2) OF THIS SECTION MAY NOT BE INCLUDED IN THE AMOUNT OF  
10 LOCAL FUNDS THAT PRINCE GEORGE'S COUNTY IS REQUIRED TO APPROPRIATE TO  
11 THE SCHOOL OPERATING BUDGET UNDER § 5-202(B) OF THE EDUCATION ARTICLE.

12 6-107.

13 (a) [For] SUBJECT TO § 6-106.1 OF THIS SUBTITLE, FOR the purpose of paying  
14 the current operating or administrative expenses of the Commission, including the cost of  
15 the development of the plan of the regional district or any part of the plan and including  
16 the cost of the exercise of the powers and functions granted to the Commission, there  
17 shall be levied annually against all the assessable property within the regional district by  
18 Montgomery and Prince George's Counties, respectively, a tax of three cents on each  
19 \$100 of assessable property within the regional district. Each of the counties in each  
20 annual levy, except as hereinafter provided, shall levy the tax on all property in its county  
21 within the regional district, both real and personal, assessed for county tax purposes.  
22 These taxes shall be levied and collected as county taxes are levied and collected; and  
23 they shall have the same priority rights, bear the same interest and penalties, and in every  
24 respect be treated the same as county taxes. The proceeds of the collection of the tax shall  
25 be paid to the Commission and constitute the administrative fund of the Commission. The  
26 expenditures of the Commission for operating or administrative purposes shall be within  
27 the amount of the fund, together with additional funds appropriated or contributed for  
28 these purposes by the two counties, the General Assembly of Maryland, the United  
29 States, or private donors.

30 (b) If by decree of court the provisions of subsection (a) of this section for a three  
31 cent tax should be permanently enjoined or otherwise invalidated, so that the County  
32 Council of Montgomery County and the County Council of Prince George's County can  
33 no longer levy and collect the three cent tax as provided for in the subsection, then the  
34 repeal of § 5 of Chapter 448 of the Laws of the General Assembly of Maryland of 1927,  
35 by Chapter 714 of the Acts of the General Assembly of 1939, and by Chapter 992 of the  
36 Acts of the General Assembly of 1943, shall terminate; and the repeal shall be treated as  
37 no longer in effect, and § 5 of Chapter 448 of the Acts of 1927 shall be deemed reenacted  
38 and in full force and effect.

39 (c) At least 30 days prior to the end of the fiscal years of Montgomery and Prince  
40 George's Counties, respectively, the Commission shall certify and submit to the  
41 appropriate fiscal officers of the counties the unexpended balances in the hands of the  
42 Commission from moneys received by the Commission from the administrative taxes  
43 theretofore levied by the counties, respectively, as hereinabove provided. If the  
44 unexpended balance with respect to either county exceeds the sum of \$100,000, that  
45 county may deduct the excess from its estimate of the amount of money which will be

5

1 raised in the next succeeding fiscal year by the levy of the administrative tax; and the  
2 county in that fiscal year may levy the tax at a rate which the county estimates will  
3 produce an amount equal to the difference so arrived at, which amount will then be the  
4 amount which the county is obligated to pay the Commission for administration in that  
5 fiscal year pursuant to this section.

6 (d) The Montgomery County Council and the Prince George's County Council are  
7 authorized and directed to fix the amount of the administrative tax authorized in this  
8 section on or before the 30th day of the month immediately prior to the month in which  
9 the Commission's fiscal year begins. On or before the 5th day of that month prior to the  
10 beginning of the Commission's fiscal year, the Commission shall submit to each County  
11 Council its complete budget estimates for the forthcoming fiscal year along with suitable  
12 statements in justification of the administrative budget and tax rate requested by the  
13 Commission.

14 (e) Any funds over and above that necessary for operating and administrative  
15 purposes and any other funds not specifically pledged by law which remain in the hands  
16 of the Commission may be used in the respective counties of the regional district, in the  
17 same proportion as they were collected from these counties, for the purchase,  
18 development, maintenance, and operation of parks therein. Any funds not collected in  
19 the counties may be used by the Commission in its discretion for the best interests of the  
20 regional district.

21 7-106.

22 (e) For the purposes of this section, in Prince George's County and Montgomery  
23 County, the Commission may establish in its annual budget a continuing land acquisition  
24 revolving fund from which disbursements for the purposes of this section shall be made,  
25 and the Commission may issue and sell serial bonds from time to time in amounts it  
26 deems necessary for this purpose. However, in Prince George's County the County  
27 Council shall approve the Commission's issue and sale of bonds concerning that county.  
28 The total amount of the bonds outstanding at any time may not exceed an amount which  
29 can be redeemed within 30 years from the date of issue by means of a tax of three cents  
30 on each \$100 assessed valuation in Prince George's County and Montgomery County; in  
31 making such calculation, assumptions may be made as set forth in § 6-101(b) of this  
32 article. The provisions relating to form, interest rate, sale, redemption, guarantee, and  
33 liability contained in § 6-101 (serial bonds, notes, and other obligations) shall be equally  
34 applicable to bonds issued pursuant to the provisions of this section.

35 (1) (i) The Montgomery County Council may levy against all of the  
36 property assessed for the purposes of county taxation, annually a tax of not less than one  
37 cent or more than three cents on each \$100 of assessed valuation. The tax shall be levied  
38 notwithstanding the fact that no interest may be due on the bonds or notes and/or  
39 notwithstanding the fact that no bonds or notes whatever have been issued under this  
40 title.

41 (ii) If a tax greater than one cent is levied in any year, then thereafter  
42 the Montgomery County Council shall continue to levy a tax sufficient to pay the interest  
43 on the bonds as it becomes due and to pay the principal thereof as they mature, the tax in  
44 any one year not to exceed the limit heretofore provided. The tax need not be levied to

6

1 the extent that funds are available from the sources to make the payments in any year and  
2 have been applied to or authorized for payment by the Commission.

3 (iii) Every 60 days the tax so levied and collected to date by the county  
4 shall be remitted to the Commission. All proceeds from the tax not used for debt service  
5 on the principal and interest of the bonds may be paid into the revolving fund for the uses  
6 specified in this section, or for payment of debt service bonds issued under this section.  
7 None of the provisions in this article relating to unexpended balances apply to the land  
8 acquisition revolving fund.

9 (2) [The] SUBJECT TO § 6-106.1 OF THIS ARTICLE, THE Prince George's  
10 County Council shall levy an annual amount on all property assessed for the purposes of  
11 county taxation sufficient to pay the interest on the bond as it becomes due and to pay the  
12 principal as the bonds mature if the Prince George's County Council has approved the  
13 issue and sale of these bonds.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 July 1, 1997. It shall remain effective for a period of two years and, at the end of June 30,  
16 1999, with no further action required by the General Assembly, this Act shall be  
17 abrogated and of no further force and effect.