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1997 Regular Session
7lr2347

By: Senators Amoss, Green, Munson, and Currie

Introduced and read first time: January 31, 1997

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 Property Tax - County Setoffs for Property in Municipal Corporations

3 FOR the purpose of providing for the manner in which each county is required to discuss
4 with the governing body of any municipal corporation in the county the county
5 property tax rate to be set for assessments of property in the municipal corporation;
6 requiring that each county and each municipal corporation in the county that
7 desires a property tax setoff submit certain proposals to each other; requiring the
8 county to promptly submit to the municipal corporation certain financial records
9 and other documentation; providing for mediation or alternative dispute resolution
10 procedures; providing for payment of the costs of mediation or dispute resolution
11 procedures; providing for certain actions to be taken before certain dates;
12 authorizing certain appeals and certain actions to be filed in the circuit court for the
13 county; providing for a certain setoff under certain circumstances; requiring a
14 circuit court to establish a setoff at a certain level under certain circumstances;
15 repealing a certain optional procedure for providing for setoffs from municipal
16 property tax; defining a certain term; and generally relating to setoffs from county
17 property tax for assessments of property in municipal corporations.

18 BY repealing and reenacting, with amendments,
19 Article - Tax - Property
20 Section 6-305
21 Annotated Code of Maryland
22 (1994 Replacement Volume and 1996 Supplement)

23 BY repealing
24 Article - Tax - Property
25 Section 6-306
26 Annotated Code of Maryland
27 (1994 Replacement Volume and 1996 Supplement)

28 BY repealing and reenacting, without amendments,
29 Article - Tax - Property
30 Section 6-307
31 Annotated Code of Maryland
32 (1994 Replacement Volume and 1996 Supplement)

2

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

3 **Article - Tax - Property**

4 6-305.

5 (a) [This section applies only in:

6 (1) Allegany County;

7 (2) Anne Arundel County;

8 (3) Baltimore County;

9 (4) Garrett County;

10 (5) Harford County;

11 (6) Howard County;

12 (7) Montgomery County; and

13 (8) Prince George's County.]

14 IN THIS SECTION, "SETOFF" MEANS:

15 (1) THE DIFFERENCE BETWEEN THE GENERAL COUNTY PROPERTY TAX
16 RATE AND THE PROPERTY TAX RATE THAT IS SET FOR ASSESSMENTS OF PROPERTY
17 IN A MUNICIPAL CORPORATION; OR

18 (2) A PAYMENT TO A MUNICIPAL CORPORATION TO AID THE
19 MUNICIPAL CORPORATION IN FUNDING SERVICES OR PROGRAMS THAT ARE
20 SIMILAR TO COUNTY SERVICES OR PROGRAMS.

21 (b) The governing body of [the] EACH county shall [meet annually and] discuss
22 with the governing body of any municipal corporation in the county the county property
23 tax rate to be set for assessments of property in the municipal corporation AS PROVIDED
24 IN THIS SECTION. [After the meeting if] IF it can be demonstrated that a municipal
25 corporation performs services or programs instead of similar county services or programs,
26 the governing body of the county shall impose the county property tax on assessments of
27 property in the municipal corporation at a rate that is less than the general county
28 property tax rate.

29 (c) In determining the county property tax rate to be set for assessments of
30 property in a municipal corporation, the governing body of the county shall consider:

31 (1) the services and programs that are performed by the municipal
32 corporation instead of similar county services and programs; and

33 (2) the extent that the similar services and programs are funded by property
34 tax revenues.

35 (d) The county property tax rate for assessments of property located in a
36 municipal corporation is not required to be:

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1 (1) the same as the rate for property located in other municipal corporations
2 in the county; or

3 (2) the same as the rate set in a prior year.

4 (e) Instead of imposing a county property tax at a lesser rate for assessments of
5 property in a municipal corporation, the governing body of the county may make a
6 payment to a municipal corporation to aid the municipal corporation in funding
7 municipal corporation services or programs that are similar to county services or
8 programs.

9 (F) (1) AT LEAST 6 MONTHS BEFORE THE DATE THAT THE ANNUAL
10 COUNTY BUDGET IS REQUIRED TO BE APPROVED, A COUNTY AND EACH MUNICIPAL
11 CORPORATION IN THE COUNTY THAT DESIRES A PROPERTY TAX SETOFF SHALL
12 SUBMIT TO EACH OTHER A PROPOSAL THAT STATES THE DESIRED LEVEL OF
13 PROPERTY TAX SETOFF FOR THE NEXT FISCAL YEAR.

14 (2) AFTER RECEIVING A PROPOSAL FROM A MUNICIPAL CORPORATION
15 THAT REQUESTS A SETOFF, THE GOVERNING BODY OF THE COUNTY SHALL
16 PROMPTLY SUBMIT TO THE MUNICIPAL CORPORATION FINANCIAL RECORDS AND
17 OTHER DOCUMENTATION REGARDING COUNTY REVENUES AND EXPENDITURES,
18 INCLUDING DETAILED COSTS OF ANY SERVICES PROVIDED UNIQUELY TO A
19 MUNICIPAL CORPORATION THAT THE COUNTY HAS FUNDED PRIMARILY FROM
20 PROPERTY TAX REVENUES.

21 (G) (1) (I) A COUNTY OR MUNICIPAL CORPORATION MAY REQUEST THAT
22 A MEDIATOR FROM THE OFFICE OF ADMINISTRATIVE HEARINGS BE APPOINTED TO
23 WORK WITH THE AFFECTED PARTIES.

24 (II) THE COSTS SHALL BE PAID BY THE PARTY REQUESTING THE
25 MEDIATION UP TO A MAXIMUM OF \$2,000.

26 (2) (I) A COUNTY AND A MUNICIPAL CORPORATION MAY JOINTLY
27 AGREE TO PURSUE AN ALTERNATIVE DISPUTE RESOLUTION PROCEDURE.

28 (II) THE COSTS SHALL BE PAID EQUALLY BY THE PARTIES.

29 (H) (1) AT LEAST 3 MONTHS BEFORE THE DATE THAT THE ANNUAL
30 COUNTY BUDGET IS REQUIRED TO BE APPROVED, THE COUNTY COMMISSIONERS
31 OR THE COUNTY EXECUTIVE OF A CHARTER COUNTY SHALL SUBMIT A FINAL
32 PROPOSAL TO EACH MUNICIPAL CORPORATION THAT HAS REQUESTED A SETOFF.

33 (2) THE FINAL PROPOSAL SHALL CONTAIN AN EXPLANATION OF THE
34 LEVEL OF PROPERTY TAX SETOFF THAT HAS BEEN RECOMMENDED FOR APPROVAL
35 TO THE GOVERNING BODY OF THE COUNTY.

36 (I) (1) AT LEAST 45 DAYS BEFORE THE DATE THAT THE ANNUAL COUNTY
37 BUDGET IS REQUIRED TO BE APPROVED, THE GOVERNING BODY OF THE COUNTY
38 SHALL TAKE FINAL ACTION ON ITS PROPOSED SETOFFS AND NOTIFY EACH
39 MUNICIPAL CORPORATION THAT HAS REQUESTED A SETOFF OF THE EXACT
40 PROPERTY TAX SETOFF THAT IT HAS ADOPTED FOR THAT MUNICIPAL
41 CORPORATION AS PART OF ITS ANNUAL BUDGET AND TAX RATE SETTING PROCESS.

1 (2) IF THE GOVERNING BODY OF A MUNICIPAL CORPORATION OR A
2 CITIZEN OF A MUNICIPAL CORPORATION IS DISSATISFIED WITH THE LEVEL OF
3 PROPERTY TAX SETOFF APPROVED BY THE GOVERNING BODY OF A COUNTY, THE
4 GOVERNING BODY OF THE MUNICIPAL CORPORATION OR CITIZEN MAY APPEAL
5 THIS RESULT TO THE CIRCUIT COURT.

6 (J) (1) IF THE GOVERNING BODY OF THE COUNTY FAILS TO MEET THE
7 REQUIRED DEADLINE IN SUBSECTION (I) OF THIS SECTION, THE PROPERTY TAX
8 SETOFF SHALL BE SET AT 105% OF THE LEVEL OF THE SETOFF DURING THE
9 PRECEDING YEAR.

10 (2) IF THE GOVERNING BODY OF THE COUNTY DOES NOT SET THE
11 PROPERTY TAX SETOFF AT 105% AS REQUIRED UNDER PARAGRAPH (1) OF THIS
12 SUBSECTION, THE MUNICIPAL CORPORATION MAY FILE AN ACTION FOR A WRIT OF
13 MANDAMUS, AND IF THE COURT FINDS THAT THE GOVERNING BODY OF THE
14 COUNTY FAILED TO MEET THE DEADLINE IN SUBSECTION (I) OF THIS SECTION, THE
15 COURT MAY ISSUE A WRIT DIRECTING THE COUNTY TO SET THE PROPERTY TAX SET
16 OFF AT 105% OF THE LEVEL OF THE SETOFF DURING THE PRECEDING YEAR.

17 [6-306.

18 (a) This section applies to any county not listed in § 6-305 of this subtitle.

19 (b) The governing body of the county shall meet annually and discuss with the
20 governing body of any municipal corporation in the county the county property tax rate to
21 be set for assessments of property in the municipal corporation. After the meeting if a
22 municipal corporation performs services or programs instead of similar county services or
23 programs, the governing body of the county may impose the county property tax on
24 assessments of property in the municipal corporation at a rate that is less than the general
25 county property tax rate.

26 (c) In determining the county property tax rate to be set for assessments of
27 property in a municipal corporation, the governing body of the county may consider:

28 (1) the services and programs that are performed by the municipal
29 corporation instead of similar county services and programs; and

30 (2) the extent that the similar services and programs are funded by property
31 tax revenues.

32 (d) The county property tax rate for assessments of property located in a
33 municipal corporation is not required to be:

34 (1) the same as the rate for property located in other municipal corporations
35 in the county; or

36 (2) the same as the rate set in a prior year.

37 (e) Instead of imposing a county property tax at a lesser rate for assessments of
38 property in a municipal corporation, the governing body of the county may make a
39 payment to a municipal corporation to aid the municipal corporation in funding
40 municipal corporation services or programs that are similar to county services or
41 programs.]

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1 6-307.

2 The governing body of Anne Arundel County or of Howard County may not impose
3 a county property tax on property of a resident of a municipal corporation for any service
4 that the municipal corporation provides for the resident.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 1997.