
By: **Delegate Snodgrass**

Rules suspended

Introduced and read first time: March 9, 1999

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County - Property Tax Setoffs in Municipal Corporations**

3 FOR the purpose of adding Frederick County to those counties in which a certain
4 property tax setoff procedure applies.

5 BY repealing and reenacting, with amendments,
6 Article - Tax - Property
7 Section 6-305
8 Annotated Code of Maryland
9 (1994 Replacement Volume and 1998 Supplement)

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

12 **Article - Tax - Property**

13 6-305.

14 (a) In this section, "tax setoff" means:

15 (1) the difference between the general county property tax rate and the
16 property tax rate that is set for assessments of property in a municipal corporation; or

17 (2) a payment to a municipal corporation to aid the municipal
18 corporation in funding services or programs that are similar to county services or
19 programs.

20 (b) This section applies only in:

21 (1) Allegany County;

22 (2) Anne Arundel County;

23 (3) Baltimore County;

- 1 (4) FREDERICK COUNTY;
- 2 (5) Garrett County;
- 3 [(5)] (6) Harford County;
- 4 [(6)] (7) Howard County;
- 5 [(7)] (8) Montgomery County; and
- 6 [(8)] (9) Prince George's County.

7 (c) The governing body of the county shall meet and discuss with the
8 governing body of any municipal corporation in the county the county property tax
9 rate to be set for assessments of property in the municipal corporation as provided in
10 this section. After the meeting if it can be demonstrated that a municipal corporation
11 performs services or programs instead of similar county services or programs, the
12 governing body of the county shall grant a tax setoff to the municipal corporation.

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

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

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

19 (e) The county property tax rate for assessments of property located in a
20 municipal corporation is not required to be:

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

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

24 (f) (1) At least 180 days before the date that the annual county budget is
25 required to be approved, any municipal corporation in the county that desires that a
26 tax setoff be provided shall submit to the county a proposal that states the desired
27 level of property tax setoff for the next fiscal year.

28 (2) (i) A request submitted under paragraph (1) of this subsection
29 shall be accompanied by:

30 1. a description of the scope and nature of the services or
31 programs provided by the municipal corporation instead of similar services or
32 programs provided by the county; and

33 2. financial records and other documentation regarding
34 municipal revenues and expenditures.

1 (ii) The materials submitted under subparagraph (i) of this
2 paragraph shall provide sufficient detail for an assessment of the similar services or
3 programs.

4 (3) After receiving a proposal from a municipal corporation requesting a
5 tax setoff under this subsection, the governing body of the county shall promptly
6 submit to the municipal corporation financial records and other documentation
7 regarding county revenues and expenditures.

8 (g) (1) At least 90 days before the date that the annual county budget is
9 required to be approved, the county and any municipal corporation submitting a tax
10 setoff request under subsection (f) of this section shall designate appropriate policy
11 and fiscal officers or representatives to meet and discuss the nature of the tax setoff
12 request, relevant financial information of the county and municipal corporation, and
13 the scope and nature of services provided by both entities.

14 (2) A meeting held under paragraph (1) of this subsection may be held by
15 the county representatives jointly with representatives from more than one municipal
16 corporation.

17 (3) (i) The county officers or representatives may request from the
18 municipal corporation officers or representatives additional information that may
19 reasonably be needed to assess the tax setoff.

20 (ii) The municipal corporation officers or representatives shall
21 provide the additional information expeditiously.

22 (h) (1) At or before the time the proposed county budget is released to the
23 public, the county commissioners, the county executive of a charter county, or the
24 county council of a charter county without a county executive shall submit a
25 statement of intent to each municipal corporation that has requested a tax setoff.

26 (2) The statement of intent shall contain:

27 (i) an explanation of the level of the proposed tax setoff;

28 (ii) a description of the information or process used to determine
29 the level of the proposed tax setoff; and

30 (iii) an indication that, before the budget is enacted, appropriate
31 officials or representatives of the municipal corporation are entitled to appear before
32 the county governing body to discuss or contest the level of the proposed tax setoff.

33 (i) Representatives of each municipal corporation in the county requesting a
34 tax setoff shall be afforded an opportunity to testify before the county governing body
35 during normally scheduled hearings on the county's proposed budget.

36 (j) Notwithstanding the provisions of subsections (d), (f), and (g) of this
37 section:

1 (1) a county and one or more municipal corporations may enter into an
2 agreement setting different terms or timing for negotiations, calculations, or approval
3 of a tax setoff; and

4 (2) a county may grant a tax setoff to a municipal corporation that does
5 not make a request in the fashion described in this section.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 1999.