
By: ~~Delegate Snodgrass~~ **Frederick County Delegation**

Rules suspended

Introduced and read first time: March 9, 1999

Assigned to: Rules and Executive Nominations

Re-referred to: Ways and Means, March 15, 1999

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 26, 1999

CHAPTER _____

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.

- 1 (b) This section applies only in:
- 2 (1) Allegany County;
- 3 (2) Anne Arundel County;
- 4 (3) Baltimore County;
- 5 (4) FREDERICK COUNTY;
- 6 (5) Garrett County;
- 7 [(5)] (6) Harford County;
- 8 [(6)] (7) Howard County;
- 9 [(7)] (8) Montgomery County; and
- 10 [(8)] (9) Prince George's County.

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

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

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

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

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

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

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

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

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

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

4 2. financial records and other documentation regarding
5 municipal revenues and expenditures.

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

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

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

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

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

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

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

31 (2) The statement of intent shall contain:

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

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

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

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

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

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

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

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