
By: **Prince George's County Delegation**

Introduced and read first time: February 4, 2004

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 26, 2004

CHAPTER_____

1 AN ACT concerning

2 **Prince George's County - Education Funding - Tax Limitation Exception**
3 **PG 403-04**

4 FOR the purpose of authorizing the County Executive of Prince George's County to
5 recommend that the County Council set a county real property tax rate
6 exceeding a level permitted by the County Charter subject to a certain limitation
7 if the County Executive considers the higher rate necessary to provide adequate
8 funding to the Board of Education of Prince George's County; authorizing the
9 County Council, on recommendation of the County Executive, to set a county
10 real property tax rate by a certain vote in excess of that permitted by the
11 Charter subject to a certain limitation for funding the approved budget of the
12 Board; requiring that, if the Charter limitation is exceeded, certain levels of
13 funding be maintained and certain revenues be committed to the Board;
14 requiring that before a county real property tax rate that exceeds the Charter
15 tax rate limit becomes effective, the county law adopting the rate shall be
16 submitted to a referendum of the legally qualified voters of Prince George's
17 County; requiring the Board to apply certain priorities when using the revenue
18 generated by the county real property tax rate authorized by this Act for funding
19 education items; requiring the governing body of Prince George's County to
20 grant, by law, a property tax credit of a certain amount against the county
21 property tax imposed on the real property of a dwelling owned by certain
22 ~~individuals~~ homeowners under certain circumstances; providing for the
23 application of this Act; and generally relating to the property tax rate and
24 education funding in Prince George's County.

25 BY repealing and reenacting, without amendments,
26 Article - Education

1 Section 5-104(b)
2 Annotated Code of Maryland
3 (2001 Replacement Volume and 2003 Supplement)

4 BY adding to
5 Article - Education
6 Section 5-104(d)
7 Annotated Code of Maryland
8 (2001 Replacement Volume and 2003 Supplement)

9 BY repealing and reenacting, without amendments,
10 Article - Tax - Property
11 Section 9-104(a)(1), (3), (6), (8), and (9)
12 Annotated Code of Maryland
13 (2001 Replacement Volume and 2003 Supplement)

14 BY adding to
15 Article - Tax - Property
16 Section 9-318(e)
17 Annotated Code of Maryland
18 (2001 Replacement Volume and 2003 Supplement)

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

21 **Article - Education**

22 5-104.

23 (b) (1) Local funds provided for appropriations shall be paid in accordance
24 with the expenditure requirements, as certified by the county board, to the treasurer
25 of the county board on a monthly basis.

26 (2) Appropriations for school construction, permanent improvements,
27 and repairs for special purposes may be required to be paid more frequently on the
28 order of the president and secretary of the county board to the county commissioners,
29 county council, or the county executive.

30 (D) (1) THIS SUBSECTION ONLY APPLIES TO PRINCE GEORGE'S COUNTY.

31 (2) THE COUNTY EXECUTIVE MAY RECOMMEND TO THE COUNTY
32 COUNCIL THAT THE COUNCIL SET A COUNTY REAL PROPERTY TAX RATE EXCEEDING
33 A LEVEL PERMITTED UNDER THE COUNTY CHARTER IF THE COUNTY EXECUTIVE
34 CONSIDERS THE HIGHER RATE NECESSARY TO PROVIDE ADEQUATE FUNDING TO
35 THE COUNTY BOARD.

1 (3) NOTWITHSTANDING ANY PROVISION OF THE COUNTY CHARTER AND
2 SUBJECT TO PARAGRAPHS (4) AND (5) OF THIS SUBSECTION, ON RECOMMENDATION
3 OF THE COUNTY EXECUTIVE, THE COUNTY COUNCIL, BY AT LEAST A MAJORITY VOTE
4 OF THE FULL MEMBERSHIP OF THE COUNCIL, MAY SET A COUNTY REAL PROPERTY
5 TAX RATE THAT IS GREATER THAN THE RATE THAT WOULD BE PERMITTED UNDER
6 THE CHARTER FOR THE SOLE PURPOSE OF FUNDING THE APPROVED BUDGET OF
7 THE COUNTY BOARD.

8 (4) IF THE COUNTY COUNCIL SETS A COUNTY REAL PROPERTY TAX RATE
9 THAT IS GREATER THAN THE RATE PERMITTED UNDER THE COUNTY CHARTER, THE
10 ADDITIONAL TAX INCREASE SHALL BE 10 CENTS ON EACH \$100 WORTH OF
11 ASSESSABLE REAL PROPERTY OTHER THAN OPERATING REAL PROPERTY OF A
12 PUBLIC UTILITY.

13 (5) IF THE COUNTY COUNCIL SETS A COUNTY REAL PROPERTY TAX RATE
14 THAT IS GREATER THAN THE RATE PERMITTED UNDER THE COUNTY CHARTER, THE
15 COUNTY:

16 (I) MAY NOT REDUCE FUNDING PROVIDED TO THE COUNTY BOARD
17 FROM THE REAL PROPERTY TAX REVENUE GENERATED AT THE RATE PERMITTED
18 UNDER THE COUNTY CHARTER OR FROM ANY OTHER LOCAL REVENUE SOURCE
19 BELOW THE FUNDING LEVEL UNDER THE ~~CURRENT~~ COUNTY BUDGET FOR THE
20 FISCAL YEAR PRECEDING THE TAXABLE YEAR IN WHICH A COUNTY REAL PROPERTY
21 TAX RATE GREATER THAN THE RATE PERMITTED UNDER THE COUNTY CHARTER
22 TAKES EFFECT; AND

23 (II) SHALL APPROPRIATE TO THE COUNTY BOARD ALL REAL
24 PROPERTY TAX REVENUE EXCEEDING THE AMOUNT THAT WOULD HAVE BEEN
25 AVAILABLE HAD THE COUNTY CHARTER LIMITATION APPLIED.

26 (6) (I) BEFORE A COUNTY REAL PROPERTY TAX RATE THAT EXCEEDS
27 THE CHARTER TAX RATE LIMIT BECOMES EFFECTIVE, THE COUNTY LAW ADOPTING
28 THE RATE SHALL FIRST BE SUBMITTED TO A REFERENDUM OF THE LEGALLY
29 QUALIFIED VOTERS OF PRINCE GEORGE'S COUNTY AT A GENERAL ELECTION.

30 (II) THE COUNTY COUNCIL AND THE BOARD OF SUPERVISORS OF
31 ELECTIONS OF PRINCE GEORGE'S COUNTY SHALL DO THOSE THINGS NECESSARY
32 AND PROPER TO PROVIDE FOR AND HOLD THE REFERENDUM REQUIRED BY THIS
33 PARAGRAPH.

34 (III) IF A MAJORITY OF THE VOTES CAST ON THE QUESTION ARE
35 "FOR THE REFERRED LAW", THE COUNTY REAL PROPERTY TAX RATE THAT EXCEEDS
36 THE CHARTER TAX RATE LIMIT SHALL TAKE EFFECT FOR THE ~~UPCOMING TAXABLE~~
37 ~~YEAR~~ NEXT ENSUING TAXABLE YEAR.

38 (7) IF THE COUNTY LAW ADOPTING THE COUNTY REAL PROPERTY TAX
39 RATE IS ADOPTED IN ACCORDANCE WITH PARAGRAPH (6) OF THIS SUBSECTION AND
40 AFTER THE APPROPRIATION OF THE REAL PROPERTY TAX REVENUES SPECIFIED IN
41 PARAGRAPH (5)(II) OF THIS SUBSECTION TO THE COUNTY BOARD AS REQUIRED BY
42 PARAGRAPH (5)(II) OF THIS SUBSECTION, THE COUNTY BOARD SHALL PROVIDE FOR

1 THE FUNDING OF EDUCATION ITEMS IN ACCORDANCE WITH THE FOLLOWING
2 PRIORITIES:

3 (I) DEDICATION OF REVENUES TO ENHANCE AND FUND
4 UNFUNDED ACADEMIC ITEMS IN THE PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
5 MASTER PLAN/QUALITY SCHOOLS PROGRAM STRATEGIC PLAN, INCLUDING FUNDING
6 FOR:

7 1. THE ACCELERATION OF MATHEMATICS INSTRUCTION IN
8 ELEMENTARY AND MIDDLE SCHOOL;

9 2. INCREASING THE NUMBER OF STUDENTS TAKING
10 ALGEBRA OR HIGHER LEVEL MATHEMATICS IN MIDDLE SCHOOL;

11 3. INCREASING THE NUMBER OF STUDENTS TAKING
12 HONORS AND ADVANCED PLACEMENT COURSES IN HIGH SCHOOL; AND

13 4. INCREASING THE NUMBER OF STUDENTS TAKING
14 ADVANCED PLACEMENT TESTS;

15 (II) DEDICATION OF REVENUES TO FUND SYSTEMIC INITIATIVES
16 THAT BENEFIT ALL CHILDREN IN THE PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS,
17 INCLUDING:

18 1. ADDITIONAL COUNTY FUNDING TO ENHANCE AND
19 SUPPORT FULL FUNDING OF THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS ACT
20 OF 2002 AND ENACTED INTO LAW AS CHAPTER 288 OF THE ACTS OF THE GENERAL
21 ASSEMBLY OF 2002, COMMONLY REFERRED TO AS THE "THORNTON" LEGISLATION;

22 2. FUNDING OF REQUESTS IN THE CAPITAL IMPROVEMENTS
23 PROGRAM TO REDUCE THE SIZE OF CLASSES AND TO CONSTRUCT NEW SCHOOLS
24 AND NEW CLASSROOM ADDITIONS TO EXISTING SCHOOLS;

25 3. INCREASING FUNDING FOR AGING SCHOOLS AND THE
26 REPAIR, RENOVATION, AND UPGRADING OF OLDER SCHOOL BUILDINGS AND
27 FACILITIES; AND

28 4. THE PROVISION OF SUFFICIENT FUNDING FOR TEACHER
29 SALARY INCREASES TO RETAIN THE BEST, MOST QUALIFIED TEACHERS; AND

30 (III) FUNDING OF SPECIFIC ITEMS TO PROVIDE FOR THE
31 FOLLOWING:

32 1. REDUCTION IN THE SIZE OF CLASSES;

33 2. SUFFICIENT FUNDS TO ALLOW FOR:

34 A. REPLACEMENT OF TEXTBOOKS AND INSTRUCTIONAL
35 MATERIALS; AND

- 1 B. REPLACEMENT OF FURNITURE AND EQUIPMENT, OTHER
2 THAN SCHOOL BUSES;
- 3 3. SUFFICIENT FUNDS TO RETAIN:
- 4 A. THE DIVISION OF MAINTENANCE IN ITS ENTIRETY;
- 5 B. APPROPRIATE NUMBERS OF ASSISTANT PRINCIPALS;
- 6 C. ALL ELEMENTARY SCHOOL ART, MUSIC, AND PHYSICAL
7 EDUCATION TEACHER POSITIONS;
- 8 D. RETENTION OF MEDIA PROGRAMS, INCLUDING MEDIA
9 SPECIALISTS, MEDIA ASSISTANTS, MEDIA SERVICES TECHNICIANS, AND MEDIA
10 PROGRAM MATERIALS;
- 11 E. SIGNIFICANT PORTIONS OF ALL STAFF DEVELOPMENT
12 ACTIVITIES;
- 13 F. SIGNIFICANT PORTIONS OF THE GUIDANCE PROGRAM;
14 AND
- 15 G. SIGNIFICANT PORTIONS OF THE "MASTER PLAN"
16 INITIATIVES; AND
- 17 4. SUFFICIENT FUNDS TO MAINTAIN SALARY
18 ENHANCEMENTS FOR CLASSROOM TEACHERS, ADMINISTRATORS, AND SUPPORT
19 STAFF.

20 **Article - Tax - Property**

21 9-104.

22 (a) (1) In this section the following words have the meanings indicated.

23 (3) "Combined income" means the combined gross income of all
24 individuals who actually reside in a dwelling except an individual who:

25 (i) is a dependent of the homeowner under § 152 of the Internal
26 Revenue Code; or

27 (ii) pays a reasonable amount for rent or room and board.

28 (6) "Dwelling" means:

29 (i) for a homeowner who is not a home purchaser, a house that is:

30 1. used as the principal residence of a homeowner and the lot
31 or curtilage on which the house is erected;

32 2. occupied by not more than 2 families; and

1 3. actually occupied or expected to be actually occupied by
2 the homeowner for more than 6 months of a 12-month period, which actual or
3 expected occupancy period shall include July 1 of the taxable year for which the
4 property tax credit under this section is sought; or

5 (ii) for a homeowner who is a home purchaser, a house that is:

6 1. used as the principal residence of a homeowner and the lot
7 or curtilage on which the house is erected;

8 2. occupied by not more than 2 families; and

9 3. actually occupied or expected to be actually occupied by
10 the home purchaser for the remainder of the taxable year for which the property tax
11 credit under this section is sought.

12 (8) (i) "Gross income" means the total income from all sources for the
13 calendar year that immediately precedes the taxable year, whether or not the income
14 is included in the definition of gross income for federal or State tax purposes.

15 (ii) "Gross income" includes:

16 1. any benefit under the Social Security Act or the Railroad
17 Retirement Act;

18 2. the aggregate of gifts over \$300;

19 3. alimony;

20 4. support money;

21 5. any nontaxable strike benefit;

22 6. public assistance received in a cash grant;

23 7. a pension;

24 8. an annuity;

25 9. any unemployment insurance benefit;

26 10. any workers' compensation benefit;

27 11. the net income received from a business, rental, or other
28 endeavor; and

29 12. any rent on the dwelling, including the rent from a room
30 or apartment.

31 (iii) "Gross income" does not include:

