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

Introduced and read first time: February 11, 2005

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Homestead Credit Percentage - Homeland**  
3 **Security Funding**  
4 **PG 321-05**

5 FOR the purpose of altering the minimum homestead property tax credit percentage  
6 that may be set in Prince George's County under certain circumstances;  
7 requiring the Department of Assessments and Taxation to certify certain  
8 information to the governing body of Prince George's County; requiring the  
9 governing body of Prince George's County to distribute certain property tax  
10 revenue to a special fund to be used only for certain purposes; providing that  
11 certain provisions do not apply for certain taxable years; and generally relating  
12 to the homestead property tax credit percentage in Prince George's County and  
13 the use of certain Prince George's County property tax revenue for certain  
14 homeland security purposes.

15 BY repealing and reenacting, with amendments,  
16 Article - Tax - Property  
17 Section 9-105(e)  
18 Annotated Code of Maryland  
19 (2001 Replacement Volume and 2004 Supplement)

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

22 **Article - Tax - Property**

23 9-105.

24 (e) (1) For each taxable year, the property tax credit under this section is  
25 calculated by:

26 (i) multiplying the prior year's taxable assessment by the  
27 homestead credit percentage as provided under paragraph (2) of this subsection;

1 (ii) subtracting that amount from the current year's assessment;  
2 and

3 (iii) if the difference is a positive number, multiplying the difference  
4 by the applicable State, county, or municipal corporation property tax rate for the  
5 current year.

6 (2) For each taxable year, the homestead credit percentage under  
7 paragraph (1)(i) of this subsection is:

8 (i) for the State property tax, 110%;

9 (ii) for the county property tax:

10 1. the homestead credit percentage established by the county  
11 under paragraph (3) of this subsection; or

12 2. if the county has not set a percentage for the taxable year  
13 under paragraph (3) of this subsection or has not notified the Department as required  
14 under paragraph (6) of this subsection, the homestead credit percentage in effect for  
15 the county for the preceding taxable year; and

16 (iii) for the municipal corporation property tax:

17 1. the homestead credit percentage established by the  
18 municipal corporation under paragraph (4) of this subsection; or

19 2. if the municipal corporation has not set a percentage  
20 under paragraph (4) of this subsection or has not notified the Department as required  
21 under paragraph (7) of this subsection, the homestead credit percentage for the  
22 taxable year for the county in which the property is located.

23 (3) Subject to paragraph (5) of this subsection, the Mayor and City  
24 Council of Baltimore City and the governing body of a county on or before November  
25 15 of any year shall set, by law, the homestead credit percentage for the taxable year  
26 beginning the following July 1.

27 (4) Subject to paragraph (5) of this subsection, on or before November 25  
28 of any year, the governing body of a municipal corporation may set or alter, by law, a  
29 homestead credit percentage for the taxable year beginning the following July 1 and  
30 any subsequent taxable year.

31 (5) (i) [The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
32 PARAGRAPH, THE homestead credit percentage for any county or municipal  
33 corporation property tax:

34 [(i)] 1. may not be less than 100% or exceed 110% for any taxable  
35 year; and

36 [(ii)] 2. shall be expressed in increments of 1 percentage point.

1 (II) 1. IN PRINCE GEORGE'S COUNTY, SUBJECT TO  
2 SUBSUBPARAGRAPH 5 OF THIS SUBPARAGRAPH, THE HOMESTEAD CREDIT  
3 PERCENTAGE MAY NOT BE LESS THAN 105% FOR ANY TAXABLE YEAR.

4 2. ON OR BEFORE MARCH 1 OF EACH YEAR, FOR THE  
5 TAXABLE YEAR BEGINNING THE FOLLOWING JULY 1, THE DEPARTMENT OF  
6 ASSESSMENTS AND TAXATION SHALL CERTIFY TO THE GOVERNING BODY OF PRINCE  
7 GEORGE'S COUNTY:

8 A. THE COUNTY ASSESSABLE BASE RESULTING FROM THE  
9 APPLICATION OF A HOMESTEAD CREDIT PERCENTAGE OF 105% IN PRINCE GEORGE'S  
10 COUNTY; AND

11 B. THE COUNTY ASSESSABLE BASE RESULTING FROM THE  
12 APPLICATION OF A HOMESTEAD CREDIT PERCENTAGE OF 102% IN PRINCE GEORGE'S  
13 COUNTY.

14 3. FOR EACH FISCAL YEAR, FROM THE PROPERTY TAX  
15 REVENUE, THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL DISTRIBUTE  
16 TO A SPECIAL FUND, TO BE USED ONLY AS PROVIDED IN SUBSUBPARAGRAPH 4 OF  
17 THIS SUBPARAGRAPH, AN AMOUNT EQUAL TO THE COUNTY PROPERTY TAX RATE  
18 FOR THE FISCAL YEAR APPLIED TO THE DIFFERENCE BETWEEN THE TWO AMOUNTS  
19 CERTIFIED BY THE DEPARTMENT OF ASSESSMENTS AND TAXATION FOR THAT  
20 FISCAL YEAR UNDER SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH.

21 4. THE SPECIAL FUND ESTABLISHED UNDER THIS  
22 SUBPARAGRAPH MAY ONLY BE USED FOR THE PURPOSE OF PURCHASING AND  
23 ERECTING AN 800 MEGAHERTZ COMMUNICATIONS TOWER FOR HOMELAND  
24 SECURITY USE IN PRINCE GEORGE'S COUNTY.

25 5. THIS SUBPARAGRAPH DOES NOT APPLY FOR ANY  
26 TAXABLE YEAR BEGINNING AFTER AN 800 MEGAHERTZ COMMUNICATIONS TOWER  
27 FOR HOMELAND SECURITY USE IN PRINCE GEORGE'S COUNTY HAS BEEN  
28 PURCHASED AND ERECTED.

29 (6) The Mayor and City Council of Baltimore City and the governing  
30 body of a county shall notify the Department of any action taken under paragraph (3)  
31 of this subsection on or before November 15 preceding the taxable year for which the  
32 action is taken.

33 (7) A municipal corporation shall notify the Department of any action  
34 taken under paragraph (4) of this subsection on or before November 25 preceding the  
35 taxable year for which the action is taken.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
37 July 1, 2005.