

Department of Legislative Services

Maryland General Assembly

2006 Session

FISCAL AND POLICY NOTE

Revised

House Bill 1075

(Prince George's County Delegation and Montgomery County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

Maryland-Washington Regional District – Boundaries

PG/MC 121-06

This bill modifies the boundaries of the Maryland-Washington Regional District to exclude the City of Laurel as its corporate boundaries are defined as of July 1, 2006.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: None.

Local Effect: The Maryland-National Capital Park and Planning Commission (M-NCPPC) tax revenues would decrease by \$68,200 in FY 2007. Expenditures would not be affected.

Small Business Effect: Minimal. Small businesses within the annexed portions of the Maryland-Washington Regional District in Laurel would no longer be required to pay the special regional district administrative tax.

Analysis

Current Law: Currently, the boundaries of the Maryland-Washington Regional District do not include the City of Laurel, as its corporate boundaries are defined as of July 1, 1994.

Background: The Maryland-National Capital Park and Planning Commission (M-NCPPC) is a bicounty agency serving Montgomery and Prince George's counties that was empowered by the State in 1927 to acquire and administer a regional system of parks within the Maryland-Washington Regional District and administer a general plan for the physical development of the area. In 1970, M-NCPPC became responsible for managing the Prince George's County public recreation program.

M-NCPPC imposes four special property taxes on real property in Prince George's County. The fiscal 2006 real property tax rates for these four M-NCPPC taxes are shown below.

Recreation Tax (Countywide)	\$0.0592
Advance Land Acquisition Tax (Countywide)	\$0.0013
Administration Tax (Regional District)	\$0.0466
Park Tax (Metropolitan District)	<u>\$0.1719</u>
Total	\$0.279

The recreation and the advance land acquisition taxes are imposed countywide. The administration tax is used to fund general administration and planning and is only imposed in the regional district, from which the City of Laurel is excluded. The park tax is imposed in the metropolitan district, from which the Town of District Heights, City of Greenbelt, and City of Laurel are excluded.

Local Fiscal Effect: By excluding land that has been annexed by the City of Laurel between July 1, 1994 and July 1, 2006, the owners of property in these areas would not be subject to the Regional District administration property tax. Of the municipal annexations reported to the Department of Legislative Services between July 1, 1994 and March 16, 2006, more than 350 acres of land have been annexed by the City of Laurel. M-NCPPC advises that altering the boundaries of the regional district to exclude those areas annexed by Laurel since July 1, 1994 would result in a revenue loss of \$68,200 in fiscal 2007.

The City of Laurel advises that while the bill does not fiscally impact the city itself, it does affect the city's residents in areas annexed since July 1, 1994 who are required to pay additional taxes.

Additional Information

Prior Introductions: A similar bill, HB 601 of 2005, was assigned to the House Environmental Matters Committee but no hearing was held.

Cross File: None.

Information Source(s): City of Laurel, Prince George's County, Maryland-National Capital Park and Planning Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 17, 2006
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