

HOUSE BILL 493

Q1, L5

71r0719

By: **Montgomery County Delegation and Prince George's County Delegation**
Introduced and read first time: February 6, 2007
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Property Tax Setoffs in Municipal**
3 **Corporations - Maryland-National Capital Park and Planning Commission**
4 **Taxes**

5 **MC/PG 432-07**

6 FOR the purpose of requiring the governing body of Prince George's County under
7 certain circumstances to grant a property tax setoff to a municipal corporation
8 as to the property tax imposed by Prince George's County for the
9 Maryland-National Capital Park and Planning Commission; requiring the
10 governing body of Prince George's County to consider certain services and
11 programs provided by the Maryland-National Capital Park and Planning
12 Commission in determining the county property tax rate to be set for
13 assessments of property in a municipal corporation; and generally relating to
14 property tax setoffs in municipal corporations in Prince George's County.

15 BY repealing and reenacting, with amendments,
16 Article - Tax - Property
17 Section 6-305
18 Annotated Code of Maryland
19 (2001 Replacement Volume and 2006 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**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 6–305.

2 (a) In this section, “tax setoff” means:

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

6 (2) a payment to a municipal corporation to aid the municipal
7 corporation in funding services or programs that are similar to county services or
8 programs.

9 (b) This section applies only in:

10 (1) Allegany County;

11 (2) Anne Arundel County;

12 (3) Baltimore County;

13 (4) Frederick County;

14 (5) Garrett County;

15 (6) Harford County;

16 (7) Howard County;

17 (8) Montgomery County; and

18 (9) Prince George’s County.

19 (c) **(1)** The governing body of the county shall meet and discuss with the
20 governing body of any municipal corporation in the county the county property tax
21 rate to be set for assessments of property in the municipal corporation as provided in
22 this section.

23 **(2)** After the meeting if it can be demonstrated that a municipal
24 corporation performs services or programs instead of similar county services or
25 programs, the governing body of the county shall grant a tax setoff to the municipal
26 corporation.

1 **(3) IN PRINCE GEORGE’S COUNTY, AFTER THE MEETING IF IT**
2 **CAN BE DEMONSTRATED THAT A MUNICIPAL CORPORATION PERFORMS**
3 **SERVICES OR PROGRAMS INSTEAD OF SIMILAR SERVICES OR PROGRAMS**
4 **PROVIDED IN PRINCE GEORGE’S COUNTY BY THE MARYLAND–NATIONAL**
5 **CAPITAL PARK AND PLANNING COMMISSION, THE GOVERNING BODY OF**
6 **PRINCE GEORGE’S COUNTY SHALL GRANT A TAX SETOFF TO THE MUNICIPAL**
7 **CORPORATION AS TO THE PROPERTY TAX IMPOSED BY PRINCE GEORGE’S**
8 **COUNTY FOR THE MARYLAND–NATIONAL CAPITAL PARK AND PLANNING**
9 **COMMISSION.**

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

12 (1) the services and programs that are performed by the municipal
13 corporation instead of similar county services and programs, **INCLUDING, IN PRINCE**
14 **GEORGE’S COUNTY, SERVICES AND PROGRAMS PROVIDED BY THE**
15 **MARYLAND–NATIONAL CAPITAL PARK AND PLANNING COMMISSION;** and

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

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

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

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

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

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

29 1. a description of the scope and nature of the services or
30 programs provided by the municipal corporation instead of similar services or
31 programs provided by the county, **INCLUDING, IN PRINCE GEORGE’S COUNTY,**

1 **SERVICES OR PROGRAMS PROVIDED BY THE MARYLAND–NATIONAL CAPITAL**
2 **PARK AND PLANNING COMMISSION; and**

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

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

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

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

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

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

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

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

30 (2) The statement of intent shall contain:

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

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

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

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

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

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

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

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2007.