

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

House Bill 723

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

Environmental Matters

Education, Health, and Environmental Affairs

Montgomery County - Maryland-Washington Metropolitan District - Boundaries
MC/PG 121-07

This bill alters the boundary of the Maryland-Washington Metropolitan District to exclude the areas within the corporate boundaries of Gaithersburg, Rockville, and Washington Grove as they exist on October 1, 2007, and any area annexed into one of these municipalities on any subsequent date.

The bill takes effect July 1, 2007.

Fiscal Summary

State Effect: None.

Local Effect: The bill would not materially impact local government finances.

Small Business Effect: None.

Analysis

Bill Summary: The bill specifies that the metropolitan district tax does not apply to an area located within the corporate boundaries of Rockville, Gaithersburg, or Washington Grove as they exist on the bill's July 1, 2007 effective date, nor does it apply to any area subsequently annexed by these municipalities. Montgomery County may not collect any delinquent metropolitan district taxes owed by any area of the county that were not levied prior to July 1, 2007, except for those taxes levied for a tax year beginning before the date property was annexed by one of the three municipalities included in the bill.

The Montgomery and Prince George's county councils and the Maryland-National Capital Park and Planning Commission (M-NCPPC) are required to report to the Montgomery and Prince George's county delegations by November 1, 2007 on certain nonresident fee schedules for using each county's parks and recreational facilities.

Current Law: The cities of Gaithersburg and Rockville, and the Town of Washington Grove are excluded from the metropolitan district as their corporate boundaries existed on a specific date. For example, areas within the municipal boundaries of Rockville as of July 1, 1961 are excluded from the metropolitan district. Areas annexed into one of these municipalities after the date, however, would still be in the metropolitan district and could be subject to paying the metropolitan district special property tax.

This bill would adjust the boundaries of the metropolitan district to exclude any areas located within the municipalities as of October 1, 2007 and any area annexed into one of these municipalities in the future. In effect, this would statutorily exclude those properties currently located in one of these municipalities and the metropolitan district from having to pay the metropolitan district tax.

Background: M-NCPPC is a bi-county agency 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. The Montgomery County Department of Parks is part of M-NCPPC. Gaithersburg, Rockville, and Washington Grove provide park services within their boundaries that are paid for by municipal tax revenues. The Montgomery County metropolitan district real property tax rate in fiscal 2007 is \$0.057

Local Fiscal Effect: Montgomery County advises that it has not collected the metropolitan district tax from property owners located within an area of the metropolitan district annexed by one of the municipalities.

The fiscal impact of the bill's reporting requirement should be minimal and absorbable within existing resources for both Montgomery and Prince George's counties and M-NCPPC.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): City of Gaithersburg, Town of Washington Grove,
Montgomery County, Maryland-National Capital Park and Planning Commission,
Department of Legislative Services

Fiscal Note History: First Reader - March 15, 2007
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