

# HOUSE BILL 1080

Q2

8lr2993

---

By: **Washington County Delegation**

Introduced and read first time: February 7, 2008

Assigned to: Ways and Means

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Washington County - Property Tax Setoffs in Municipal Corporations**

3 FOR the purpose of adding Washington County to those counties in which a certain  
4 property tax setoff procedure applies.

5 BY repealing and reenacting, with amendments,  
6 Article - Tax - Property  
7 Section 6-305  
8 Annotated Code of Maryland  
9 (2007 Replacement Volume)

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

12 **Article - Tax - Property**

13 6-305.

14 (a) In this section, "tax setoff" means:

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

18 (2) a payment to a municipal corporation to aid the municipal  
19 corporation in funding services or programs that are similar to county services or  
20 programs.

21 (b) This section applies only in:

22 (1) Allegany County;

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (2) Anne Arundel County;
- 2 (3) Baltimore County;
- 3 (4) Frederick County;
- 4 (5) Garrett County;
- 5 (6) Harford County;
- 6 (7) Howard County;
- 7 (8) Montgomery County; [and]
- 8 (9) Prince George's County; **AND**
- 9 **(10) WASHINGTON COUNTY.**

10 (c) The governing body of the county shall meet and discuss with the  
11 governing body of any municipal corporation in the county the county property tax  
12 rate to be set for assessments of property in the municipal corporation as provided in  
13 this section. After the meeting if it can be demonstrated that a municipal corporation  
14 performs services or programs instead of similar county services or programs, the  
15 governing body of the county shall grant a tax setoff to the municipal corporation.

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

18 (1) the services and programs that are performed by the municipal  
19 corporation instead of similar county services and programs; and

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

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

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

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

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

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

3                               1.   a description of the scope and nature of the services or  
4 programs provided by the municipal corporation instead of similar services or  
5 programs provided by the county; and

6                               2.   financial records and other documentation regarding  
7 municipal revenues and expenditures.

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

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

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

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

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

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

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

33                               (2)   The statement of intent shall contain:

34                               (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 July 1, 2008.