

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 930 (Prince George's County Delegation and Montgomery County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

Maryland-Washington Regional District - Boundaries - City of Laurel
PG/MC 124-08

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, 2008.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: None.

Local Effect: M-NCPPC tax revenues would decrease by \$93,000 annually beginning in FY 2009 from a reduction in the assessable base. Expenditures would not be affected.

Small Business Effect: None.

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 property in Prince George's County. The fiscal 2008 property tax rates for these four M-NCPPC taxes are shown below.

	<u>Real Property</u>	<u>Personal Property</u>
Recreation Tax (Countywide)	\$0.0592	\$0.1480
Advance Land Acquisition Tax (Countywide)	0.0013	0.0032
Administration Tax (Regional District)	0.0466	0.1165
Park Tax (Metropolitan District)	0.1719	0.4298
Total	\$0.2790	\$0.6975

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, 2008, the owners of these areas would not be subject to the regional district administration property tax. There are approximately 1,550 properties in areas annexed by the City of Laurel since 1994, of which approximately 1,200 have dwellings built. M-NCPPC advises that altering the boundaries of the regional district to exclude those areas would result in a revenue loss of \$93,000 in fiscal 2009. This estimate includes \$83,000 in real property and \$10,000 in personal property.

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 currently required to pay additional taxes.

Additional Information

Prior Introductions: HB 1075 of 2006 received a favorable with amendments report from the House Environmental Matters Committee and passed the House. The bill was

referred to the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken.

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, 2008
mll/hlb

Analysis by: Erik P. Timme

Direct Inquiries to:
(410) 946-5510
(301) 970-5510