

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1114
Ways and Means

(Prince George's County Delegation)

**Prince George's County - Municipal Corporations - Tax Credit for Revitalization
Districts
PG 415-11**

This bill authorizes a municipality in Prince George's County to establish revitalization districts for the purpose of encouraging redevelopment. A municipality is authorized to grant a property tax credit against the municipal property tax imposed on real property located within a revitalization district assuming the property is constructed or substantially redeveloped in conformance with adopted eligibility criteria; and reassessed as a result of the construction or redevelopment at a higher value than that assessed prior to the construction or redevelopment. The municipality may provide for (1) criteria for the designation of a revitalization district; (2) eligibility criteria for the property tax credit; (3) the amount and duration of the tax credit; (4) regulations and procedures for the application and uniform processing of requests for the tax credit; and (5) other provisions necessary.

The bill takes effect June 1, 2011.

Fiscal Summary

State Effect: None.

Local Effect: Potential decrease in municipal property tax revenues in Prince George's County, to the extent revitalization districts are established and tax credits are granted. Municipal expenditures are not affected.

Small Business Effect: Potential meaningful. Small businesses located in a revitalization district may realize reduced property taxes.

Analysis

Current Law: The Urban Enterprise Zone Tax Credit Program provides property and income tax credits for businesses that locate or expand within designated areas. The State Department of Assessments and Taxation (SDAT) reimburses local governments for 50% of the property tax credit. The credit is based on the increased assessment from a base year either from rising assessments or from increases in value from renovations or capital improvements.

Local Fiscal Effect: Municipal property tax revenues in Prince George's County may decrease to the extent revitalization districts are established and tax credits are granted. The amount of any revenue decrease depends on the number of revitalization districts established and in which municipality, the number of eligible properties, the assessed value of each property, and municipal property tax rates.

Exhibit 1 shows the assessable base for municipalities in Prince George's County for fiscal 2010. **Exhibit 2** shows the municipal population, as well as county and municipal property tax rates in Prince George's County for fiscal 2011.

Additional Information

Prior Introductions: None.

Cross File: SB 436 (Senator Rosapepe) - Budget and Taxation.

Information Source(s): Department of Assessments and Taxation, Prince George's County, Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2011
ncs/hlb

Analysis by: Michael Sanelli

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

Exhibit 1
County Assessable Base for Municipalities in Prince George's County
Fiscal 2010

Municipality	Real Property Base	Personal Property Base	Total Assessable Base
Berwyn Heights	\$419,202,815	\$19,613,740	\$438,816,555
Bladensburg	429,973,361	17,533,940	447,507,301
Bowie	7,966,394,022	126,496,940	8,092,890,962
Brentwood	271,411,698	3,878,670	275,290,368
Capitol Heights	319,240,333	7,137,020	326,377,353
Cheverly	627,681,411	16,750,910	644,432,321
College Park	2,507,360,082	62,880,130	2,570,240,212
Colmar Manor	98,921,561	3,064,910	101,986,471
Cottage City	108,230,298	3,154,960	111,385,258
District Heights	397,722,810	5,023,650	402,746,460
Eagle Harbor	9,899,726	51,400	9,951,126
Edmonston	173,161,855	5,427,330	178,589,185
Fairmount Heights	118,273,851	1,414,220	119,688,071
Forest Heights	257,800,060	2,806,070	260,606,130
Glenarden	451,967,695	5,278,720	457,246,415
Greenbelt	2,402,467,810	72,361,270	2,474,829,080
Hyattsville	2,182,622,383	72,170,590	2,254,792,973
Landover Hills	115,642,479	2,174,780	117,817,259
Laurel	2,985,628,231	85,582,320	3,071,210,551
Morningside	109,593,406	3,056,530	112,649,936
Mt. Rainier	504,476,025	4,022,480	508,498,505
New Carrollton	887,507,657	13,771,260	901,278,917
North Brentwood	62,197,670	931,650	63,129,320
Riverdale Park	672,340,016	14,930,110	687,270,126
Seat Pleasant	309,138,322	6,383,770	315,522,092
University Park	428,452,340	2,336,180	430,788,520
Upper Marlboro	106,250,090	27,263,690	133,513,780

Source: State Department of Assessments and Taxation

Exhibit 2
Prince George's County Real Property Tax Rates
Fiscal 2011

Jurisdiction	Population July 2009	County Rate	Municipal Rate	County Special Rate	Total Rate
Prince George's County	834,560	\$0.960		\$0.359	\$1.319
Berwyn Heights	2,978	0.795	0.486	0.359	1.640
Bladensburg	7,686	0.794	0.740	0.359	1.893
Bowie	53,417	0.819	0.400	0.305	1.524
Brentwood	2,838	0.931	0.382	0.359	1.672
Capitol Heights	4,160	0.809	0.392	0.359	1.560
Cheverly	6,470	0.801	0.480	0.359	1.640
College Park	27,286	0.946	0.322	0.359	1.627
Colmar Manor	1,277	0.862	1.038	0.359	2.259
Cottage City	1,141	0.814	0.520	0.359	1.693
District Heights	6,127	0.799	0.730	0.186	1.715
Eagle Harbor	57	0.960	0.292	0.359	1.611
Edmonston	1,350	0.814	0.600	0.359	1.773
Fairmount Heights	1,519	0.867	0.420	0.359	1.646
Forest Heights	2,592	0.854	0.567	0.359	1.780
Glenarden	6,406	0.824	0.336	0.359	1.519
Greenbelt	21,439	0.783	0.790	0.246	1.819
Hyattsville	15,604	0.786	0.630	0.359	1.775
Landover Hills	1,536	0.795	0.480	0.359	1.634
Laurel	22,672	0.754	0.710	0.312	1.776
Morningside	1,275	0.823	0.780	0.359	1.962
Mt. Rainier	8,453	0.788	0.790	0.359	1.937
New Carrollton	12,656	0.842	0.500	0.359	1.701
North Brentwood	472	0.951	0.347	0.359	1.657
Riverdale Park	6,441	0.784	0.677	0.359	1.820
Seat Pleasant	4,903	0.798	0.580	0.359	1.737
University Park	2,317	0.797	0.584	0.359	1.740
Upper Marlboro	667	0.818	0.240	0.359	1.417

Source: State Department of Assessments and Taxation, Prince George's County, Department of Legislative Services