

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 553

(Senator Rosapepe)

Education, Health, and Environmental Affairs

Rules and Executive Nominations

**Maryland-Washington Metropolitan District and Regional District - Boundaries -
City of Laurel**

This bill modifies the boundaries of the Maryland-Washington Metropolitan District and the Maryland-Washington Regional District by excluding any single-family real property annexed by the City of Laurel through July 1, 2012.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: None.

Local Effect: Maryland-National Capital Park and Planning Commission (M-NCPPC) property tax revenues decrease by approximately \$135,900 annually beginning in FY 2013. Expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: 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, 2008. The boundaries of the Maryland-Washington Metropolitan District do not include the City of Laurel, as its corporate boundaries are defined as of July 1, 1997.

Chapter 303 of 2008 modified the boundaries of the Maryland-Washington Regional District to exclude the City of Laurel, as its corporate boundaries were defined as of

July 1, 2008. Prior to the enactment of Chapter 303, the boundaries of the Maryland-Washington Regional District did not include the City of Laurel, as its corporate boundaries were defined as of July 1, 1994.

Background: M-NCPPC is a bi-county 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 Metropolitan 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 three special property taxes on property in Prince George's County. The fiscal 2012 property tax rates and revenues for these three M-NCPPC taxes are shown in **Exhibit 1**.

Exhibit 1
M-NCPPC Property Tax Rates and Revenues – Fiscal 2012
Prince George's County

	Real Property <u>Tax Rate</u>	Revenue <u>Amount</u>
Recreation Tax (Countywide)	\$0.0605	\$53,635,600
Administration Tax (Regional District)	0.0466	40,311,900
Park Tax (Metropolitan District)	0.1719	142,154,200
Total	\$0.2790	\$236,101,700

The recreation tax is 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 mostly excluded. The park tax is imposed in the metropolitan district, from which the City of District Heights, City of Greenbelt, and City of Laurel are mostly excluded.

Local Fiscal Effect: By excluding single-family real property that has been annexed by the City of Laurel through July 1, 2012, from the regional district and the metropolitan district, the owners of these properties would not be subject to the regional district administration tax or the metropolitan district park tax.

M-NCPPC reports that approximately 175 single-family real properties may be affected by the proposed boundary change. Based on fiscal 2011 assessment data, M-NCPPC indicates that commission property tax revenues may decrease by approximately \$135,900 beginning in fiscal 2013. However, the actual revenue loss associated with the

changes may be greater depending on the actual number of affected properties and property assessments.

The City of Laurel advises that while the bill does not fiscally impact the city itself, it does affect city residents who own single-family real property in areas annexed since July 1, 2008, for the regional district and July 1, 1997, for the metropolitan district, who are currently required to pay additional taxes.

Additional Information

Prior Introductions: SB 438 of 2011 passed the Senate and was referred to the House Environmental Matters Committee, but no further action was taken. Its cross file, HB 617, was referred to the House Environmental Matters Committee, but was withdrawn prior to receiving a hearing. SB 1026 of 2010 received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken. Its cross file, HB 581, was referred to the House Environmental Matters Committee, but no further action was taken.

Cross File: None.

Information Source(s): Prince George's County, City of Laurel, Maryland-National Capital Park and Planning Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2012
mds/hlb Revised - Senate Third Reader - April 5, 2012

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