

# HOUSE BILL 681

Q2

5lr0487

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By: **Prince George's County Delegation**

Introduced and read first time: February 12, 2015

Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted

Read second time: March 14, 2015

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Prince George's County – Municipal Tax Setoff – Report**

3 **PG 417–15**

4 FOR the purpose of requiring the governing body of Prince George's County, on or before a  
5 certain date each year, to complete a report concerning the county's municipal tax  
6 setoffs that includes certain information; requiring the report to be made available  
7 in a certain manner; and generally relating to municipal tax setoffs in Prince  
8 George's County.

9 BY repealing and reenacting, with amendments,  
10 Article – Tax – Property  
11 Section 6–305  
12 Annotated Code of Maryland  
13 (2012 Replacement Volume and 2014 Supplement)

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

16 **Article – Tax – Property**

17 6–305.

18 (a) In this section, “tax setoff” means:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

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

5 (b) This section applies only in:

6 (1) Allegany County;

7 (2) Anne Arundel County;

8 (3) Baltimore County;

9 (4) Frederick County;

10 (5) Garrett County;

11 (6) Harford County;

12 (7) Howard County;

13 (8) Montgomery County; and

14 (9) Prince George's County.

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

21 (d) Except as provided in subsection (k) of this section, in determining the county  
22 property tax rate to be set for assessments of property in a municipal corporation, the  
23 governing body of the county shall consider:

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

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

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

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

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

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

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

10 1. a description of the scope and nature of the services or  
11 programs provided by the municipal corporation instead of similar services or programs  
12 provided by the county; and

13 2. financial records and other documentation regarding  
14 municipal revenues and expenditures.

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

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

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

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

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

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

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

5 (2) The statement of intent shall contain:

6 (i) an explanation of the level of the proposed tax setoff;

7 (ii) a description of the information or process used to determine the  
8 level of the proposed tax setoff; and

9 (iii) an indication that, before the budget is enacted, appropriate  
10 officials or representatives of the municipal corporation are entitled to appear before the  
11 county governing body to discuss or contest the level of the proposed tax setoff.

12 (i) Representatives of each municipal corporation in the county requesting a tax  
13 setoff shall be afforded an opportunity to testify before the county governing body during  
14 normally scheduled hearings on the county's proposed budget.

15 (j) Notwithstanding the provisions of subsections (d), (f), and (g) of this section:

16 (1) a county and one or more municipal corporations may enter into an  
17 agreement setting different terms or timing for negotiations, calculations, or approval of a  
18 tax setoff; and

19 (2) a county may grant a tax setoff to a municipal corporation that does not  
20 make a request in the fashion described in this section.

21 (k) In Frederick County, for the taxable years that begin July 1, 2011, and July  
22 1, 2012, the governing body of Frederick County shall grant a tax setoff to a municipal  
23 corporation in an amount that:

24 (1) is no less than the tax setoff granted to that municipal corporation for  
25 the preceding taxable year; and

26 (2) increases by the same percentage by which the county property tax rate  
27 exceeds the constant yield tax rate.

28 **(L) (1) ON OR BEFORE JANUARY 31 EACH YEAR, THE GOVERNING BODY**  
29 **OF PRINCE GEORGE'S COUNTY SHALL COMPLETE A REPORT THAT INCLUDES:**

30 **(I) THE AMOUNT OF THE TAX SETOFF GRANTED TO EACH**  
31 **MUNICIPAL CORPORATION IN THE CURRENT FISCAL YEAR;**

1 (II) IN THE FORM PROVIDED BY EACH MUNICIPAL  
2 CORPORATION, A DETAILED DESCRIPTION OF THE SCOPE AND NATURE OF THE  
3 INDIVIDUAL SERVICES OR PROGRAMS PROVIDED BY EACH MUNICIPAL  
4 CORPORATION INSTEAD OF SIMILAR SERVICES OR PROGRAMS PROVIDED BY THE  
5 COUNTY; AND

6 (III) A DETAILED DESCRIPTION OF THE METHODOLOGY USED BY  
7 THE COUNTY TO DETERMINE THE AMOUNT OF THE TAX SETOFFS, INCLUDING ANY  
8 FORMULAS.

9 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE REPORT  
10 REQUIRED UNDER THIS SUBSECTION SHALL BE:

11 (I) AVAILABLE TO MUNICIPAL CORPORATIONS IN PRINCE  
12 GEORGE’S COUNTY ON REQUEST; AND

13 (II) SUBMITTED TO THE PRINCE GEORGE’S COUNTY HOUSE  
14 DELEGATION AND THE PRINCE GEORGE’S COUNTY SENATORS.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
16 1, 2015.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.