

Chapter 267

(House Bill 681)

AN ACT concerning

Prince George's County – Municipal Tax Setoff – Report

PG 417–15

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

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

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

Article – Tax – Property

6–305.

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

- (1) the difference between the general county property tax rate and the property tax rate that is set for assessments of property in a municipal corporation; or
- (2) a payment to a municipal corporation to aid the municipal corporation in funding services or programs that are similar to county services or programs.

(b) This section applies only in:

- (1) Allegany County;
- (2) Anne Arundel County;
- (3) Baltimore County;
- (4) Frederick County;

- (5) Garrett County;
- (6) Harford County;
- (7) Howard County;
- (8) Montgomery County; and
- (9) Prince George's County.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) The statement of intent shall contain:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(II) SUBMITTED TO THE PRINCE GEORGE'S COUNTY HOUSE DELEGATION AND THE PRINCE GEORGE'S COUNTY SENATORS.

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

Approved by the Governor, May 12, 2015.