

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1123

(Prince George's County Delegation and Montgomery
County Delegation)

Environment and Transportation

Education, Health, and Environmental Affairs

Maryland-Washington Metropolitan District - Boundaries - City of Greenbelt
PG/MC 117-16

This bill modifies the boundaries of the Maryland-Washington Metropolitan District by excluding the City of Greenbelt as its boundaries exist on July 1, 2016. As a result, the entire City of Greenbelt will be excluded from the Maryland-National Capital Park and Planning Commission (M-NCPPC) park tax.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: M-NCPPC property tax revenues decrease by approximately \$73,000 in FY 2017. The revenue loss in future years may be greater to the extent that additional development occurs within the modified boundaries. Expenditures are not affected.

Small Business Effect: Minimal.

Analysis

Current Law: The boundaries of the Maryland-Washington Metropolitan District do not include the City of Greenbelt as it existed on October 1, 2012. The commission has authority to impose a park tax on the metropolitan district for, among other things, policing the parks; acquiring, developing, or maintaining parks; or establishing playground and recreational facilities.

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 2016 property tax rates and revenues for these three M-NCPPC taxes are shown in **Exhibit 1**.

Exhibit 1
M-NCPPC Special Tax Rates
Fiscal 2016

<u>Special Taxing District</u>	<u>Tax Rates</u>	<u>Property Tax Revenues</u>
Administration (Regional District)	\$0.0566	\$43,886,700
Parks (Metropolitan District)	0.1594	119,265,800
Recreation (Countywide)	0.0780	62,626,100
Total	\$0.294	\$225,778,600

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 excluded (Chapter 627 of 2013). The park tax is imposed in the metropolitan district, from which the cities of District Heights, Greenbelt, and Laurel are mostly excluded.

Local Fiscal Effect: By excluding the City of Greenbelt as its boundaries exist as of July 1, 2016, from the metropolitan district, the owners of these properties would not be subject to the metropolitan district parks tax.

M-NCPPC reports that approximately 352 property tax accounts may be affected by the proposed boundary change. Based on fiscal 2016 assessment data, M-NCPPC indicates that commission property tax revenues may decrease by approximately \$73,000 annually beginning in fiscal 2017. However, the actual revenue loss associated with the changes may be greater depending on the actual number of affected properties and property assessments. According to M-NCPPC, the affected areas in Greenbelt covered by the bill include the Greenbelt Station mixed-use development project. Since this project is now only 30% to 35% complete and other projects are not yet under way, the annual revenue loss as a result of the bill is likely to increase substantially in future years.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 15, 2016
kb/hlb

Analysis by: Michael Sanelli

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