

# HOUSE BILL 396

Q8, F1

4lr1014

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

Introduced and read first time: January 17, 2024

Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted

Read second time: February 28, 2024

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Prince George's County – Sales and Use Tax on Energy and Fuel – Use of**  
3 **Revenue**

4 **PG 407–24**

5 FOR the purpose of altering a certain provision of law relating to the use of certain revenue  
6 from the sales and use tax on energy and fuel in Prince George's County by allowing  
7 the revenue to be used to meet certain education funding requirements for the  
8 county; repealing a requirement that the county appropriate a certain amount of  
9 local money to the school operating budget each fiscal year; and generally relating to  
10 the sales and use tax on energy and fuel in Prince George's County and maintenance  
11 of effort requirements in primary and secondary education.

12 BY repealing and reenacting, without amendments,  
13 Article – Education  
14 Section 5–235(a)  
15 Annotated Code of Maryland  
16 (2022 Replacement Volume and 2023 Supplement)

17 BY repealing and reenacting, without amendments,  
18 Article – Local Government  
19 Section 20–604(a)  
20 Annotated Code of Maryland  
21 (2013 Volume and 2023 Supplement)

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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 BY repealing and reenacting, with amendments,  
2 Article – Local Government  
3 Section 20–604(e)  
4 Annotated Code of Maryland  
5 (2013 Volume and 2023 Supplement)

6 BY repealing  
7 Article – Local Government  
8 Section 20–604(f)  
9 Annotated Code of Maryland  
10 (2013 Volume and 2023 Supplement)

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

13 **Article – Education**

14 5–235.

15 (a) (1) (i) Subject to subsection (o) of this section and beginning in fiscal  
16 year 2023, the county governing body shall levy and appropriate an annual tax sufficient  
17 to provide an amount of revenue for elementary and secondary public education purposes  
18 equal to the local share of major education aid as adjusted under § 5–239 of this subtitle.

19 (ii) For the purposes of calculating the local share of major education  
20 aid and regardless of the source of the funds, all funds that a county board, including the  
21 Baltimore City Board of School Commissioners, is authorized to expend for schools may be  
22 considered as levied by the county council, board of county commissioners, or the Mayor  
23 and City Council of Baltimore except for:

24 1. State appropriations;  
25 2. Federal education aid payments; and  
26 3. The amount of the expenditure authorized for debt service  
27 and capital outlay.

28 (2) Subject to subsection (o) of this section and except as provided in  
29 subsection (a–1) of this section, the county governing body shall appropriate local funds to  
30 the school operating budget in an amount no less than the product of the county’s  
31 enrollment count for the current fiscal year and the local appropriation on a per pupil basis  
32 for the prior fiscal year using enrollment count.

33 **Article – Local Government**

34 20–604.

1 (a) (1) Subject to paragraph (2) of this subsection and except as provided in  
2 subsection (b) of this section, by ordinance, the County Council for Prince George's County  
3 may impose a sales or use tax on any form of energy or fuel used in Prince George's County.

4 (2) The percentage of a tax imposed under this section may not exceed the  
5 percentage in effect on July 1, 1992.

6 (e) The net proceeds of the tax imposed under this section shall be used only [for  
7 funding of]:

8 (1) **FOR FUNDING OF** the public ethics provisions under Title 5, Subtitle  
9 8, Part V of the General Provisions Article; or

10 (2) [public education in the following budget categories in Prince George's  
11 County:

12 (i) instructional salaries;

13 (ii) instructional materials and related costs;

14 (iii) special education; and

15 (iv) fixed charges] **TO MEET THE COUNTY'S FUNDING**  
16 **REQUIREMENTS UNDER § 5-235(A) OF THE EDUCATION ARTICLE.**

17 [(f) For each fiscal year, Prince George's County shall appropriate local money to  
18 the school operating budget in an amount not less than the sum of:

19 (1) the excess of the amount of the projected revenue for the fiscal year  
20 from the tax authorized under this section over the projected revenue from the tax for the  
21 prior fiscal year; and

22 (2) the amount of local money that Prince George's County is required by  
23 State law to appropriate to the school operating budget.]

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
25 1, 2024.