

Prince George's County Council Agenda Item Summary

Meeting Date: 9/11/2007
Reference No.: CB-022-2007
Draft No.: 2
Proposer(s): County Executive
Sponsor(s): Exum
Item Title: An Act establishing the homestead property tax credit for the County property tax for the taxable year beginning July 1, 2008, as required by State law

Drafter: Ren Chen, OMB
Resource Personnel: Ren Chen, OMB

LEGISLATIVE HISTORY:

Date Presented:	6/19/2007	Executive Action:	10/1/2007 S
Committee Referral:	6/19/2007 - PSFM	Effective Date:	11/16/2007

Committee Action: 7/9/2007 - FAV(A)

Date Introduced: 7/24/2007
Public Hearing: 9/11/2007 - 10:00 AM

Council Action (1) 9/11/2007 - ENACTED
Council Votes: MB:A, WC:A, SHD:A, TD:A, CE:A, DCH:A, TK:A, EO:A, IT:A
Pass/Fail: P
Remarks:

AFFECTED CODE SECTIONS:

10-241.02

COMMITTEE REPORTS:

PUBLIC SAFETY & FISCAL MANAGEMENT

Date 7/9/2007

Committee vote: Favorable as amended, 5-0, (In favor: Councilmembers Knotts, Campos, Dean, Exum and Harrington.)

This bill will set the homestead property tax credit at 103% for the taxable year beginning July 1, 2008. The Annotated Code of Maryland, Section 9-105(e)(2), requires that on or before November 15th of each year, the County shall determine the homestead property tax credit percentage for the taxable year beginning the following July 1. The County Charter provides that the tax credit percentage shall be no greater than 100% plus the percentage of increase in the Consumer Price Index (CPI) for the previous twelve months but not more than 105%. The Office of Management and Budget has determined, based on the recent changes in the CPI, that the homestead property tax credit percentage is to be set at 103% for the taxable year beginning July 1, 2008.

The amendment will codify the tax credit for purposes of keeping the legislative history in the bill instead of including the information in an Editor's Note.

The fiscal impact on the County will be negative in the amount of \$191,938,747 in FY2009. However, the proposed

Tax Credit percentage rate for the taxable year beginning July 1, 2008 (FY2009) is lower than the level set in FY2008, thereby reducing the County property tax revenues by an estimated \$6,120,326 in FY2009.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

This legislation will establish the homestead property tax credit for the County property tax for the taxable year beginning July 1, 2008, as required by State law. Based on recent changes in the Consumer Price Index (CPI), the Homestead Property Tax Credit percentage needs to be set at 103% for the taxable year beginning July 1, 2008. The Homestead Property Tax Credit was created to limit taxable assessment increases on a property owner's principal residence.

CODE INDEX TOPICS:

INCLUSION FILES:
