

PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY

Meeting Date: 11/14/2000

Reference No.: CB-83-2000

Proposer: County Executive

Draft No.: 1

Sponsors: Estep

Item Title: An Act establishing the homestead property tax credit for the County property tax for the taxable year beginning July 1, 2001, as required by State law

Drafter: Donna W. Russell
Law

Resource Stanley A. Earley
Personnel: OMB

LEGISLATIVE HISTORY:

Date Presented: 9/26/2000

Executive Action: 11/15/2000 S

Committee Referral: 9/26/2000 PSFM

Effective Date: 1/2/2001

Committee Action: 10/5/2000 FAV

Date Introduced: 10/17/2000

Public Hearing: 11/14/2000 1:45 P.M.

Council Action: 11/14/2000 ENACTED

Council Votes: DB:A, JE:A, IG:A, TH:A, WM:A, RVR:A, AS:A, PS:A, MW:A

Pass/Fail: P

Remarks: _____

PUBLIC SAFETY & FISCAL MANAGEMENT COMMITTEE REPORT Date: 10/5/00

Committee Vote: Favorable, 4-0, (In favor: Wilson, Maloney, Russell and Scott).

This bill will increase the Homestead Property Tax Credit from 2% to 4% for the fiscal year beginning July 1, 2001. The County Charter provides that the tax credit be set at the lesser of the percentage increase in the Consumer Price Index (CPI) for the previous twelve months, rounded to the nearest whole number or 5%. The Office of Management and Budget has determined that based on the recent changes in the CPI, the rate needs to be set at 4%. The last time the rate was modified, beginning taxable year July 1, 1999, the rate was reduced to 2%.

Section 817B of the County Charter, which set the tax credit percentage at a maximum of 105%, was approved by the voters in 1994.

There will be a positive fiscal impact on the County in the amount of approximately \$500,000 from the increase in the property tax credit for FY2001 as a result of enacting CB-83-2000.

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, 2001, as required by State law.

CODE INDEX TOPICS: