




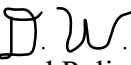
October 20, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: David Williams 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-094-2023 Tax Differential Task Force

CB-094-2023 (*Proposed and introduced by:* The Chair of the Council at the request of the County Executive)

Assigned to the Government Operations and Fiscal Policy (GOFP) Committee

AN ACT CONCERNING TAX DIFFERENTIAL TASK FORCE for the purpose of establishing a four-year term of office for appointees to the Annual Tax Differential Task Force.

Fiscal Summary

Direct Impact

Expenditures: Small reduction in expenditures possible.

Revenues: No anticipated revenue impact.

Indirect Impact

None likely.

Legislative Summary:

CB-094-2023, proposed by the Chair of the County Council at the request of the County Executive. This Bill was presented on September 26, 2023, and referred to the Government Operations and Fiscal Policy Committee. CB-094-2023 seeks to amend and reenact existing law that establishes a Tax Differential Task Force, its membership composition, and scope of duties. Specifically, the Bill would provide for a four-year term for Task Force members.

Background/Current Law:

The Municipal Tax Differential is codified under Subtitle 10. Division 6. §10-184 of the Prince George's County Code¹ pursuant to §6-305 of the Article of the Annotated Code of Maryland.² The Tax Differential Task Force is established under Subtitle 10. Division 6. §10-186.02.

Resource Personnel:

- Stanley A. Earley, Office of Management and Budget
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Discussion/Policy Analysis:

A municipal tax differential is created when a county gives a municipality within its jurisdiction a lower property tax rate to relieve the burden of duplicate county and municipal tax obligations on residents for services provided by the municipality. Current law establishes the Tax Differential Task Force to conduct an annual review of the County's tax differential program and rules adopted by the Director for its implementation, including methods of ensuring adequate public awareness. Membership of the Task Force is as follows:

1. One Member from the Office of the County Executive;
2. One Member from the County Council;
3. One Member from the Office of Management & Budget;
4. Two Members designated by Prince George's County Municipal Association;

¹ Prince George's County Code-[Section 10-184](#)

² Justia-[Maryland Property Section](#)

5. Two Members from unincorporated areas of the County and appointed by the Chair of the County Council.

The law is silent on the terms of the members, and as a result, members are identified yearly.

CB-094-2023

CB-094-2023 repeals and reenacts Subtitle 10. *Finance and Taxation. Division 6. Municipal Tax Differential* §10-186.02. *Annual Review*. This Bill simply mandates the Tax Differential Task Force serve for a four-year term of office. The adjustment from an annual term to a four-year term of office for task force members should reduce some of the administrative burden on the County that is currently required to staff this body.

Fiscal Impact:

- *Direct Impact*

Enactment of CB-094-2023 is likely to have a nominal favorable fiscal impact on the County as a result of reducing the administrative burden of identifying the Task Force membership.

- *Indirect Impact*

None likely.

- *Appropriated in the Current Fiscal Year*

N/A.

Effective Date of the Proposed Legislation:

The Act shall take effect forty-five (45) days after it becomes law.

If you require additional information or have questions about this fiscal impact statement, please reach out to me via phone or email.