

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 3/19/96

Reference No.: CB-2-1996

Proposer: Council Member Maloney

Draft No.: 2

Sponsors: Council Member Maloney

Item Title: To authorize a tax credit against certain property taxes imposed on property leased, occupied, and used by a municipal corporation for certain purposes under certain circumstances; limiting the application of the credit; and generally relating to property tax credits granted to municipal corporations

Drafter: Ralph E. Grutzmacher
Legislative Officer

Resource Personnel: Andy Eppelmann
Aide to Council Member

LEGISLATIVE HISTORY:

Date Presented: 1/16/96

Executive Action: 4/8/96 S

Committee Referral:(1) 1/16/96 PSFM

Effective Date: 5/24/96

Committee Action:(1) 2/15/96 FAV (A)

Date Introduced: 2/27/96

Pub. Hearing Date: (1) 3/19/96 1:30 P.M.

Council Action: (1) 3/19/96 Enacted

Council Votes: AMc:A, DB:A, SD:A, JE:A, IG:A, WM:A, RVR:A, AS:A, MW:A

Pass/Fail: P

Remarks: _____

PUBLIC SAFETY & FISCAL MANAGEMENT COMMITTEE REPORT Date: 2/15/96

Committee Vote: Favorable with technical amendment, 5-0, (In favor: Council Members Estepp, Bailey, Del Giudice, Maloney and Scott).

This legislation will amend the County Code by authorizing a tax credit against certain property taxes imposed on property leased, occupied and used by a municipal corporation. It is similar to previous legislation which authorized a tax credit for religious organizations in 1993.

Frank Casula, Mayor of Laurel, expressed support for this legislation. Presently, the City of Laurel is

paying approximately \$1,200 for leased property.

The Office of Law stated that the purpose clause would more accurately reflect the intent of this bill if it were amended to read "and generally relating to such property tax credits", since, technically, the credit is granted to the lessor and passed through to the municipal corporation.

The Legislative Officer has reviewed the legislation and finds it to be in proper legislative form.

The Board of Directors of the Prince George's Municipal Association supports this legislation and urges favorable support by the Council.

There will be a negative fiscal impact on the County in the amount of approximately \$1,200 as a result of adopting CB-2-1996.

BACKGROUND INFORMATION/FISCAL IMPACT

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

Section 9-225, Tax-Property Article permits the County to provide a tax credit in the amount of tax owed on property leased by a municipality. The proposed legislation would authorize such a tax credit under certain circumstances. The proposed credit is only available if the municipality is required to pay the tax as part of the lease and has its cost reduced by the amount of the credit.

CODE INDEX TOPICS:

Finance and Taxation

Tax Assessment, Levy, and Collection

Tax Credits

Municipal Corporations, tax credits for property leased by..... 10-241.04