

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**

**1996 Legislative Session**

Bill No. \_\_\_\_\_ CB-87-1996

Chapter No.

Proposed and Presented by Chairman Del Giudice (by request - County Executive)

Introduced by

Co-Sponsors

Date of Introduction

**BILL**

AN ACT concerning

Municipal Tax Differential

FOR the purpose of altering the manner in which the municipal tax differential is calculated; providing certain regulatory powers; providing certain reporting requirements; providing for the effective date of this Act; and generally relating to the municipal tax differential.

BY repealing:

SUBTITLE 10. FINANCE AND TAXATION.

Sections 10-183,

10-184,

10-185, and

10-186,

The Prince George's County Code

(1995 Edition).

BY adding:

SUBTITLE 10.

FINANCE AND TAXATION.

Section 10-183,

10-184,

10-185,

10-185.01, and

10-186,

The Prince George's County Code  
(1995 Edition).

SECTION 1. BE IT ENACTED by the County Council of Prince George's County, Maryland, that Sections 10-183, 10-184, 10-185, and 10-186 of the Prince George's County Code be and the same are hereby repealed:

**SUBTITLE 10. FINANCE AND TAXATION.**

**DIVISION 6. MUNICIPAL TAX DIFFERENTIAL.**

[Sec. 10-183 through Sec. 10-186.]

SECTION 2. BE IT FURTHER ENACTED that Sections 10-183, 10-184, 10-185, 10-185.01, and 10-186 be and the same are added:

**Sec. 10-183. Definitions.**

(a) For purposes of this Division the following words and phrases have the meaning assigned below, except in those instances in which the context clearly indicates a different meaning:

(1) **County service or program cost** shall mean the cost for a service or program as reflected in the County's latest adopted budget and support documents increased by the amount of indirect costs, including fringe benefits, applicable to that service or program and reduced by any fees, service charges, grants or other revenue directly attributable to that service or program.

(2) **County-wide property assessable base** shall mean the total County assessable tax base, including all municipal corporations, as used in the County's latest adopted budget.

(3) **Degree of services or programs** shall mean the level of eligible services or programs the municipal corporation is performing instead of the County providing those services.

(4) **Director** shall mean the Director of the Office of Management and Budget.

(5) **Eligible services or programs** shall mean those services or programs which are performed by a municipal corporation, and are wholly or partially funded from property tax revenues of the municipal corporation, instead of similar County services or programs when the similar County services or programs are wholly or partially funded from property tax

revenues in the County's general fund and the services or programs are generally provided by the County in the unincorporated areas of the County.

(6) **Municipal Corporation** shall mean a city or town incorporated pursuant to Article XI-E of the Maryland Constitution which is located partially or entirely within the boundaries of Prince George's County.

(7) **Property tax** shall mean County general fund property tax revenues as stated in the County's latest adopted budget.

**Sec. 10-184. Municipal Tax Differential established.**

(a) There is hereby established a municipal tax differential program pursuant to Section 6-305 of the Tax-Property Article of the Maryland Annotated Code.

**Sec. 10-185. Municipal Tax Differential; calculation.**

(a) The County property tax rate to be set for assessments of property in a municipal corporation shall be calculated and established as follows:

(1) For each eligible service or program, the County shall compute the County service or program cost.

(2) The County service or program cost for each eligible service or program shall be adjusted to reflect the portion supported by the general fund property tax revenues.

(3) The County shall convert the adjusted cost for each eligible service or program into a property tax rate equivalent by dividing the adjusted County service cost by the Countywide property assessable base.

(4) The differential for each municipal corporation shall be calculated by multiplying the degree of service or program provided by the municipal corporation by the property tax rate equivalent.

(5) The differential determined pursuant to Section 10-185(a)(4) shall be rounded to the nearest tenth of a cent.

**Sec. 10-185.01. Powers of the Director.**

The Director may make, adopt, and amend such rules and regulations as the Director may deem necessary to implement the provisions of this Division.

**Sec. 10-186. Reports.**

Municipal corporations shall report to the Director upon such forms and shall set forth such information as the Director may prescribe and require. Information submitted by any municipal corporation is subject to verification by the Office of Management and Budget.

SECTION 3. BE IT FURTHER ENACTED that notwithstanding the provisions of Section 10-185(a), for Fiscal Year 1998 and Fiscal Year 1999 only, if the computation of the tax rate differential for any municipality results in a tax rate differential that is more than ten percent (10%) less than the tax rate differential for the immediately preceding fiscal year, the tax rate differential shall be adjusted to a tax rate differential that is not more than ten percent (10%) less than the tax rate differential for the immediately preceding fiscal year. If the computation of the tax rate differential for any municipality results in a tax rate differential that is more than ten percent (10%) greater than the tax rate differential for the immediately preceding fiscal year, the tax rate differential shall be adjusted to a tax rate differential that is not more than ten percent (10%) greater than the tax rate differential for the immediately preceding fiscal year. In computing the tax rate differential, increases or decreases that result from a change in the amount of eligible service provided by a municipality shall be factored out of the computation before applying the ten percent (10%) limitation.

SECTION 4. BE IT FURTHER ENACTED that the provisions of this Act shall be applicable to municipal tax differential rates established for Fiscal Year 1998 and for each fiscal year thereafter.

SECTION 5. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 1996.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY:  
Stephen J. Del Giudice

Chairman

ATTEST:

Joyce T. Sweeney  
Clerk of the Council

APPROVED:

DATE: \_\_\_\_\_

BY:  
Wayne K. Curry  
County Executive

KEY:

Underscoring indicates language added to existing law.

[Brackets] indicate language deleted from existing law.