

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

Meeting Date: 10/28/98

Reference No.: CB-108-1998

Proposer: County Executive

Draft No.: 1

Sponsors: Maloney, Hendershot

Item Title: An Act establishing the homestead property tax credit for the County property tax for the taxable year beginning July 1, 1999, as required by State law

Drafter: Stanley Earley
OMB

Resource Personnel: Stanley Earley
OMB

LEGISLATIVE HISTORY:

Date Presented:	9/22/98	Executive Action:	11/18/98	S
Committee Referral:	9/22/98	PSFM	Effective Date:	1/4/99
Committee Action:	10/1/98	FAV		
Date Introduced:	10/6/98			
Pub. Hearing Date:	10/28/98	2:15 P.M.		

Council Action: 10/28/98 ENACTED

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

Pass/Fail: P

Remarks: _____

PUBLIC SAFETY AND FISCAL MANAGEMENT COMMITTEE REPORT 10/1/98

Committee Vote: Favorable, 3-0, (In favor: Council Members Estepp, Scott and Wilson).

This bill will decrease the Homestead Property Tax credit from 3% to 2% for the fiscal year beginning July 1, 1999. The Office of Management and Budget has determined that the increase in the Consumer Price Index (CPI) for the most recent twelve months, rounded to the nearest whole number is 2%. This change is required by the County Charter when the inflation rate changes.

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

The County Executive stated that this legislation will have the effect of placing more stringent limits on the growth in real property assessments for County homeowners.

The reduction in the property tax credit will have a negative fiscal impact on the County estimated at \$800,000 in FY2000.

BACKGROUND INFORMATION/FISCAL IMPACT

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

This bill will decrease the Homestead Property Tax increase limitation from 3% to 2% for the fiscal year beginning July 1, 1999. This change is required by the County Charter when the inflation rate changes.

CODE INDEX TOPICS: