
A G E N D A I T E M S U M M A R Y

Reference No: CB-106-1990

Draft No: 1

P r i n c e G e o r g e ' s

Meeting Date: 10/30/90

C o u n t y C o u n c i l

Requestor: CO. EXEC.

Item Title: To establish the Homestead Property
Tax Credit for the County property
tax as required by State law

Sponsors C B W I P M C

Date Presented 9/25/90 **Executive Action** 11/20/90 S

Committee Referral (1) 9/25/90 C.O.W. **Effective Date** 1/7/91

Committee Action (1) 9/25/90 FAV

Date Introduced 10/2/90

Pub. Hearing Date (1) 10/30/90 10:30 AM

Council Action (1) 10/30/90 Enacted

Council Votes B_ : A_, CA: A_, C_ : A_, CI: --, MC: A_, M_ : A_,
P_ : A_, W_ : --, WI: A_, __ : __, __ : __, __ : __

Pass/Fail P

Remarks _____

Drafter: Barbara L. Holtz,
Office of Law

Resource Eric Tucker,
Personnel: Office of Finance

LEGISLATIVE HISTORY

COMMITTEE OF THE WHOLE REPORT

DATE: 9/25/90

Committee Vote: Favorable, 6-2 (In favor: Council Members Bell, Casula, Castaldi, Mackinnon, Pemberton and Wineland; Opposed: Council Members Mills and Wilson)

The Homestead Property Tax Credit, as defined in the Property tax Reform Act of 1990 and enacted in House Bill 1339 include several major changes to the property tax law. Under the current law, annual assessment increases greater than the 115% of the prior year's assessment are given a tax credit. Beginning in fiscal year 1992, the State will transfer the authority for determining the cap to the local governments.

Presently, Prince George's County has one of the few tax rate

limitations in the nation. This legislation would set the cap for tax credit purposes at 110% which is 5% below the current year's cap. The estimated cost of this bill is \$1.7 million over the next triennial assessment cycle. The State requires the County adopt legislation establishing its Homestead Property Tax Credit for FY 1992 before December 31, 1990.

The Office of Law has reviewed the legislation and find it to be in proper legislative form with no legal impediments to its adoption.

Although the Office of Audits and Investigations could not confirm \$1.7 million cost, there will be a negative fiscal impact on the County as a result of enacting CB-106-1990.

BACKGROUND INFORMATION/FISCAL IMPACT

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

For the purpose of establishing the homestead property tax credit for the County property tax as required by State law.