

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

Meeting Date: 6/3/97

Reference No.: CB-60-1997

Proposer: County Executive

Draft No.: 1

Sponsors: Bailey, Del Giudice

Item Title: Emergency Act to continue the transfer tax rate at 1.4%; eliminating scheduled reductions in the transfer tax rate; and making this Act an emergency measure

Drafter: Kathleen H. Canning
Office of Law

Resource Personnel: Douglas A. Brown
OMB

LEGISLATIVE HISTORY:

Date Presented: ___/___/___

Executive Action: 6/5/97 S

Committee Referral:(1) 5/6/97 PSFM

Effective Date: 6/5/97

Committee Action:(1) ___/___/___

Date Introduced: 5/6/97

Pub. Hearing Date: (1) 6/3/97 1:30 P.M.

Council Action: (1) 6/3/97 ENACTED

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

Pass/Fail: P

Remarks: _____

6/3/97 - Rules suspended.

BACKGROUND INFORMATION/FISCAL IMPACT

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

This bill sets a maximum rate of 1.4% for the transfer tax in Prince George's County. The County's existing transfer tax rate is 1.4%, but current law provides a reduction in that rate of one/tenth of a percent per year beginning in fiscal 1998 and continuing through fiscal 2001. Legislation was passed during the 1997 Session of the Maryland General Assembly which authorized the County to continue the transfer tax rate at 1.4% without a scheduled reduction in the rate. This bill would allow Prince George's County to continue receiving the revenue it currently collects from its 1.4% transfer tax. The transfer tax generated \$36.3 million in FY 1996. County transfer tax revenue would increase

by an estimated \$2.6 million in FY 1998, this being the difference between assessing the transfer tax rate at 1.4% and reducing it by one-tenth of a percent. In the absence of this legislation future transfer tax revenue yields could fall by this same magnitude each year through 2002.

CODE INDEX TOPICS: