

Prince George's County Council

Agenda Item Summary

Meeting Date: 7/13/2010
Reference No.: CB-009-2010
Draft No.: 2
Proposer(s): County Executive
Sponsor(s): Dernoga, Harrison, Turner, Exum, Dean
Item Title: An Act creating a property tax credit and enhanced property tax credit against the County property tax imposed on real property owned or leased by business entities, and on personal property owned by business entities, that meet certain requirements related to the creation of new jobs; and generally providing for a new jobs tax credit as authorized by State law

Drafter: Joseph R. Hamlin, Office of Law
Resource Personnel: Lavinia A. Baxter, Economic Development Corporation

LEGISLATIVE HISTORY:

Date Presented:	3/2/2010	Executive Action:	7/27/2010 S
Committee Referral:	3/2/2010 - PSFM	Effective Date:	9/13/2010

Committee Action: 6/9/2010 - FAV(A)

Date Introduced: 6/15/2010
Public Hearing: 7/13/2010 - 10:00 AM

Council Action (1) 7/13/2010 - ENACTED
Council Votes: MB:A, WC:A, SHD:A, TD:A, CE:A, AH:A, TK:A, EO:A, IT:A
Pass/Fail: P
Remarks:

AFFECTED CODE SECTIONS:

10-235.13, 10-235.14, 10-235.15, 10-235.16, 10-235.17, 10-235.18

COMMITTEE REPORTS:

Public Safety and Fiscal Management

Date 6/9/2010

COMMITTEE VOTE: 4-0 Favorable as amended (In Favor Council Members Exum, Campos, Dean, and Turner)

This bill will create a property tax credit and enhanced property tax credit against the County property tax imposed on real property owned or leased by business entities that meet certain requirements related to the creation of new jobs and acquire new or expanded facilities. The two levels of tax credits are Enhanced New Jobs Tax Credit and New Jobs Tax Credits. The specific criteria for the two levels of credits are included in Section 10-235.15 of this bill.

The tax credits are based on the increase in both real and personal property tax assessments resulting from the business's new or expanded facilities. For the New Jobs Credit Program, the credits extend to six (6) years as follows: 52% for the first and second years; 39% for the third and fourth years; and 26% for the fifth and six years. The credit for the Enhanced New Jobs Tax Credit Program is for twelve years at 58.5% per year.

The County Executive stated that the establishment of tax incentive for business that creates new jobs will provide

Prince George’s County with another tool for business attraction and retention. The County must use the resources provided by the State to lure top notch companies with high paying jobs in order to remain competitive with neighboring jurisdictions.

The bill was held in the Committee on 4/7/10 at the request of Council Member Harrison. She wanted language in the legislation to ensure that a percentage of the jobs would be designated for residents of Prince George’s County.

On page 4, line 1, 14, and 21 the following amendment is inserted “of which at least thirty (30%) shall be County residents”.

The Office of Law has reviewed this bill and finds it to be in proper legislative form with no legal impediments to its enactment.

The enactment of CB-09-2010 will not have a negative or adverse fiscal impact on the County’s revenue since the proposed tax credits are based on and applied against the increase in both real and personal property assessments resulting from the business’s expansion.

BACKGROUND INFORMATION/FISCAL IMPACT:

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

This legislation will create a property tax credit and enhanced property tax credit against the County property tax imposed on real property owned or leased by business entities, and on personal property owned by business entities, pursuant to Section 9-230 of the Tax-Property Article of the Annotated Code of Maryland. Eligibility for the credit is based upon the creation of new, permanent, full-time jobs and the occupation of new or expanded premises in the County and thus will provide an incentive for job creation.

CODE INDEX TOPICS:

INCLUSION FILES:
