

Prince George's County Council

Agenda Item Summary

Meeting Date: 9/16/2008
Reference No.: CB-048-2008
Draft No.: 2
Proposer(s): County Executive
Sponsor(s): Dean
Item Title: An Act establishing the homestead property tax credit for the County property tax for the taxable year beginning July 1, 2009, as required by State Law

Drafter: Ren Chen, OMB
Resource Personnel: Ren Chen, OMB

LEGISLATIVE HISTORY:

Date Presented:	7/1/2008	Executive Action:	9/17/2008 S
Committee Referral:	7/1/2008 - PSFM	Effective Date:	11/3/2008

Committee Action: 7/14/2008 - FAV

Date Introduced: 7/23/2008
Public Hearing: 9/9/2008 - 1:30 PM

Council Action (1) 9/9/2008 - 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:

10-241.02

COMMITTEE REPORTS:

Public Safety and Fiscal Management

Date 7/14/2008

Committee vote: Favorable, 3-0, (In favor: Councilmembers Knotts, Campos and Dean.)

This bill will set the Homestead Property Tax Credit at 104% for the taxable year beginning July 1, 2009. The Annotated Code of Maryland, Section 9-105 (e)(2), requires that on or before November 15 of each year the County shall determine the homestead property tax credit percentage for the taxable year beginning the following July 1. The County Charter provides that the tax credit percentage shall be no greater than 100% plus the percentage of increase in the Consumer Price Index (CPI) for the previous twelve months but not more than 105%. The Office of Management and Budget has determined, based on the recent changes in the CPI, that the homestead property tax credit percentage is to be set of 104% for the taxable year beginning July 1, 2009.

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 fiscal impact on the County will be positive in the amount of \$6,734,084 in FY2010. If the final June 2008 CPI data increases the rate to 105%, which is the maximum rate permitted by County Charter, the tax revenue will

increase to \$13,512,185 in FY12010.

BACKGROUND INFORMATION/FISCAL IMPACT:

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

This legislation will establish the homestead property tax credit for the County property tax for the taxable year beginning July 1, 2009, as required by State law. Based on recent changes in the Consumer Price Index (CPI), the homestead property tax credit percentage needs to be set at 104% for the taxable year beginning July 1, 2009. The homestead property tax credit was created to limit taxable assessment increases on a property owner's principal residence.

7/23/2008 - CB-48-2008 was amended on the floor prior to introduction; DR-2 introduced.

CODE INDEX TOPICS:

INCLUSION FILES:
