PRINCE GEORGE'S COUNTY COUNCIL AGENDA ITEM SUMMARY

Meeting Date: 7/25/2000 Reference No.: CB-61-2000

Proposer: Bailey, Scott, Shapiro, Wilson **Draft No.:** 3

Sponsors: Bailey, Scott, Shapiro, Wilson

Item Title: An Act establishing a special assessment tax rate for

commercial properties & uses for garbage & trash disposition; clarifying language on residential rate reduction; adjusting residential & commercial fee rates; providing that residential fee limitation is contingent on existence & implementation of commercial fee; complies with Charter

Drafter: Karen T. Anderson **Resource** Dennis Bigley

Associate County Attorney Personnel: DER

LEGISLATIVE HISTORY:

Date Presented: 6/6/2000 **Executive Action:** 8/7/2000 S

Committee Referral: 6/6/2000 THE Effective Date: 12/8/2000

Committee Action: 6/19/2000 FAV(A)

Date Introduced: 6/27/2000

Public Hearing: 7/25/2000 11:00 A.M.

Council Action: 7/25/2000 ENACTED

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

Pass/Fail: P

Remarks: Voters approved on 11/7/2000

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE DATE: 6/19/00

Committee Vote: Favorable as amended, 5-0, (In favor: Council Members Shapiro, Gourdine, Hendershot, Maloney and Wilson).

Staff gave an overview of the legislation and informed the Committee of referral comments that were received.

CB-61-2000 establishes a special assessment tax rate for residential and commercial properties and commercial uses. CB-15-2000 was enacted by the Council to reduce the special assessment tax rate for residential properties to \$30.00 per year beginning in FY 2002. CB-61-2000 imposes

a commercial fee and amends the defects of the existing law identified by the County Executive. If approved at the referendum in November, the new commercial fee and the reduction in the residential fee will become effective in FY 2002.

The Legislative Officer and the Office of Law have reviewed CB-61-2000 and determined that it is in proper legislative form. The Office of Law noted minor technical amendments. The County Executive takes no position.

The Office of Audits and Investigations determined there should be no negative fiscal impact on the County as a result of enacting this bill. Further, beginning in FY 2001-02, the bill establishes a special assessment tax for the commercial sector at a rate sufficient enough to recover the \$20 reduction in the residential special assessment tax (basic benefit fee) established under CB-15-2000 (approximately \$5.7 million). The residential and commercial rates are designed to generate the same total revenue previously generated by the residential rate alone, provided, however, that the rates shall be adjusted to ensure sufficient revenue to cover the increase in the cost of providing services.

The new commercial fee and the reduction in the residential fee would have to appear on the ballot as a referendum for voter approval prior to implementation.

The following language was added to the end of the bill and will appear on the ballot.

REFUSE FEES

AN ACT to reduce the residential base benefit fee rate by \$20.00 and to impose a new commercial rate for garbage and trash collection and disposal in accordance with CB-61-2000.

BACKGROUND INFORMATION/FISCAL IMPACT

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

CB-15-2000 was enacted by the Council to reduce the special assessment tax rate for residential properties to \$30.00 per year beginning in FY 2002. The effective date of CB-15 was contingent upon the approval of the imposition of a commercial fee by referendum at the November 7, 2000 general election. The County Executive returned CB-15 without his signature on May 16, 2000, noting two objections that will need to be corrected in subsequent legislation. The proposed legislation imposes a commercial fee and amends the defects of the existing law identified by the County Executive. If approved at the referendum in November, the new commercial fee and the reduction in the residential fee will become effective in FY 2002.

CODE INDEX TOPICS: