

Prince George's County Council Agenda Item Summary

Meeting Date: 11/3/2009
Reference No.: CB-051-2009
Draft No.: 1
Proposer(s): County Executive
Sponsor(s): Dernoga
Item Title: An Act establishing the homestead property tax credit for the County property tax for the taxable year beginning July 1, 2010, as required by State Law.

Drafter: Jim Abernathy, OMB
Resource Personnel: Jim Abernathy, OMB

LEGISLATIVE HISTORY:

Date Presented:	10/6/2009	Executive Action:	11/23/2009 S
Committee Referral:	10/6/2009 - PSFM	Effective Date:	1/8/2010

Committee Action: 10/7/2009 - FAV

Date Introduced: 10/13/2009
Public Hearing: 11/17/2009 - 10:00 AM

Council Action (1) 11/3/2009 - ENACTED
Council Votes: MB:A, WC:A, SHD:A, TD:A, CE:A, AH:A, TK:-, EO:A, IT:A
Pass/Fail: P
Remarks:

AFFECTED CODE SECTIONS:

10-241.02

COMMITTEE REPORTS:

Public Safety and Fiscal Management

Date 10/7/2009

Committee Vote: Favorable (5-0) (In Favor: Councilmember: Exum, Knotts, Bland, Campos and Turner)

This bill will set the Homestead Property Tax Credit at 100% for the taxable year beginning July 1, 2010. The Annotated Code of Maryland, Section 9-105(e)(2), requires that on or before November 15th of each year the County shall determine the homestead property tax credit percentage for the taxable year beginning the following July 1. The Office of Management and Budget has determined, based on the recent changes in the Consumer Price Index (CPI) that the homestead property tax credit percentage is to be set at 100% for the taxable year beginning July 1, 2010, as compared to the current rate of 105% for the taxable year which began on July 1, 2009 (FY2010).

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 negative in the amount of \$34,613,893 in FY 2011. Overall, the Homestead Property Tax Credit will reduce the County property tax revenues by approximately \$312,390,982 in FY2011 based on the 100% rate.

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, 2010, 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 100% for the taxable year beginning July 1, 2010. The homestead property tax credit was created to limit taxable assessment increases on a property owner's principal residence.

CODE INDEX TOPICS:

INCLUSION FILES:
