

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2024 Legislative Session

Reference No.: CB-49-2024

Draft No.: 1

Committee: Committee of the Whole

Date: June 4, 2024

Action: FAV

REPORT: Committee Vote: Favorable 8-0-2 Council Members (Ivey, Harrison, Dernoga, Fisher, Hawkins, Olson, Watson, and Franklin), Absent (Burroughs), Abstained (Oriadha, and Blegay)

The Prince George's County Council convened as the Committee of the Whole (COW) on June 4, 2024, to consider CB-49-2024, an act concerning sales and use tax on telecommunications services.

During the meeting, committee staff provided an overview of the bill, which would repeal the requirement that the sales and use tax on telecommunications services be applied in addition to local funding requirements imposed by the State of Maryland for funding the Prince George's County Board of Education and provide for retroactive application of this Act.

During the 2024 legislative session, the General Assembly passed HB 3986, which eliminated the prohibition on the use of funds and authorized the County to levy an excise tax on telecommunications services. With the enactment of CB-49, revenue generated from telecommunications taxes will still be dedicated solely to operating expenditures of the County school system, but those funds may be considered part of the County's contribution to the school system. This would leave the County with general revenue funds in excess of the local share for education that the County has the option to direct to other County priorities in the budget.

After discussion, the Committee of the Whole voted CB-49-2024 favorably 8-0-2.