



Prince George's County Council

Agenda Item Summary

Meeting Date: 7/2/2024

Effective Date: 9/9/2024

Reference No.: CB-049-2024

Chapter Number: 29

Draft No.: 1

Public Hearing Date: 07/02/2024 @ 10:00 AM

Proposer(s): County Executive

Sponsor(s): Ivey, Harrison, Franklin, Watson and Hawkins

Item Title: AN ACT CONCERNING SALES AND USE TAX ON TELECOMMUNICATIONS SERVICE for the purpose of repealing the requirement that the sales and use tax on telecommunication service be applied in addition to local funding requirements imposed by the State of Maryland for funding from Prince George's County to the Board of Education; and providing for retroactive application of this Act.

Drafter: David B. Juppe, Office of Management and Budget

Resource Personnel: Stanley A. Earley, Office of Management and Budget

LEGISLATIVE HISTORY:

| Date: | Acting Body: | Action: | Sent To: |
|------------|---|------------------------|----------|
| 05/28/2024 | County Council | presented and referred | COW |
| | Action Text: This Council Bill was presented by the Chair by the request of the County Executive and referred to the Committee of the Whole. | | |
| 06/04/2024 | COW | Favorably recommended | |
| | Action Text: A motion was made by Vice Chair Harrison, seconded by Council Member Watson, that this Council Bill be Favorably recommended. The motion carried by the following vote: Aye: 8 Ivey, Harrison, Dernoga, Fisher, Franklin, Hawkins, Olson and Watson Absent: 1 Burroughs Abstain: 2 Blegay and Oriadha | | |
| 06/04/2024 | County Council | introduced | |
| | Action Text: This Council Bill was introduced by Council Members Ivey, Harrison, Franklin, Watson and Hawkins. | | |
| 07/02/2024 | County Council | public hearing held | |

Action Text:

The public hearing for this Council Bill was held.

07/02/2024 County Council enacted

Action Text:

A motion was made by Vice Chair Harrison, seconded by Council Member Hawkins, that this Council Bill be enacted. The motion carried by the following vote:

Aye: 7 Ivey, Harrison, Burroughs, Fisher, Hawkins, Olson and Watson

Excused: 1 Dernoga

Absent: 1 Blegay

Abstain: 1 Oriadha

07/25/2024 County Executive signed

Action Text:

This Council Bill was signed

AFFECTED CODE SECTIONS:

10-192.07

BACKGROUND INFORMATION/FISCAL IMPACT:

Title 5 of the Education Article of the Annotated Code of Maryland stipulates the State and County funding levels required under the Blueprint for Maryland's Future. Increased County contributions are mandated through FY 2033.

Prior to enactment of the Blueprint for Maryland's Future, County contributions to the Board of Education were only required to at least meet the funding level provided in the previous fiscal year (aka "Maintenance of Effort" or MOE). When MOE was in effect, any increase in telecommunications tax revenue would ensure that the County would fund more than the amount provided in the last fiscal year. Since enactment of the Blueprint; however, the County has contributed substantially more to the Board of Education from County sources. Requiring the proceeds of the telecommunications tax to be applied in excess of the funding formulas leaves insufficient funding for other County spending needs. The County has proposed repealing this requirement both in Section 20-605 of the Local Government Article of the Annotated Code of Maryland and the corresponding provision in County law. The General Assembly recently passed State legislation repealing this requirement.

Document(s): B2024049, CB-049-2024 Report, CB-049-2024 PAFI, CB-049-2024 Transmittal