

# Prince George's County Council

## Agenda Item Summary

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**Meeting Date:** 11/17/2015  
**Reference No.:** CB-075-2015  
**Draft No.:** 1  
**Proposer(s):** County Executive  
**Sponsor(s):** Patterson, Lehman  
**Item Title:** An Act establishing the homestead property tax credit for the County property tax for the taxable year beginning July 1, 2016, as required by State law

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**Drafter:** Adewale Dada, Office of Management and Budget  
**Resource Personnel:** Terri Bacote-Charles, Office of Management and Budget

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### LEGISLATIVE HISTORY:

<b>Date Presented:</b>	9/22/2015	<b>Executive Action:</b>	11/25/2015 S
<b>Committee Referral:</b>	9/22/2015 - PSFM	<b>Effective Date:</b>	1/11/2016

**Committee Action:** 10/7/2015 - FAV

**Date Introduced:** 10/20/2015  
**Public Hearing:** 11/17/2015 - 10:00 AM

**Council Action (1)** 11/17/2015 - ENACTED  
**Council Votes:** DLD:A, MRF:A, DG:A, AH:A, ML:A, OP:A, DT:A, KT:A, TT:A  
**Pass/Fail:** P  
**Remarks:**

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### AFFECTED CODE SECTIONS:

10-241.02

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### COMMITTEE REPORTS:

#### Public Safety and Fiscal Management

**Date 10/7/2015**

Committee Vote: Favorable 4-0 (In Favor: Council Members Harrison, Lehman, Taveras and Turner)

This bill will set the Homestead Property Tax Credit at 100% of the taxable year beginning July 1, 2016. The Annotated Code of Maryland, Tax-Property Article, Section 9-105(e), 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 determined, based on the recent changes in the Consumer Price Index (CPI) that the homestead property tax credit percentage needs to be set at 100% for the taxable year beginning July 1, 2016, as compared to the current rate of 102% for the taxable year which began on July 1, 2015.

The Office of Law has reviewed this legislation and finds it to be in proper legislative form with no legal impediments to its enactment.

The Office of Audits and Investigations finds that enactment of CB-75-2015 will lower the County's Homestead Property Tax Credit to 100% in FY 2017 and will have a negative fiscal impact on the County. For FY 2017 the County is estimated to receive \$3.9 million less in real property tax revenue when compared to FY 2016.

After discussion, the PSFM Committee voted 4-0 favorably on the bill.

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**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, 2016, as required by State law. Based on recent changes in the Consumer Price Index (CPI), the Homestead Property Tax Credit needs to be set at 100% for the taxable year beginning July 1, 2016. The Homestead Property Tax Credit was created to limit taxable assessment increases on a property owner's principal residence.

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**CODE INDEX TOPICS:**

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**INCLUSION FILES:**

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