



THE PRINCE GEORGE'S COUNTY GOVERNMENT


Office of Audits and Investigations

October 13, 2020

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Senior Legislative Budget and Policy Analyst

FROM: Alex Hirtle *AHH*
Legislative Budget and Policy Analyst

Policy Analysis and Fiscal Impact Statement
CB-082-2020 Property Tax Credit

CB-082-2020 (*proposed by:* Councilmember Davis)

Assigned to Committee of the Whole (COW)

AN ACT CONCERNING PROPERTY TAX CREDIT for the purpose of authorizing the partial property tax credit for residential real property located in an area adversely impacted by the Brown Station Road Sanitary Landfill.

Fiscal Summary

Direct Impact:

Expenditures: None.

Revenues: Negative.

Indirect Impact:

None.

Legislative Summary:

CB-082-2020 was introduced on September 29th, 2020 and was referred to the Council of the Whole (COW). The Bill would allow a partial property tax credit for additional residential real property owners located in an area adversely impacted by the Brown Station Road Sanitary Landfill.

Current Law/Background:

The County Council enacted CB-069-1992 (codified at § 10-194.02 of the County Code) on July 28, 1992, which authorized a partial property tax credit for certain residential real property located in an area adversely impacted by a sanitary landfill. The Sandy Hill Sanitary Landfill (in north County) has closed since CB-069-1992 was enacted and the useful life of the Brown Station Road Sanitary Landfill has been extended well beyond the projected life span. The proposed legislation will authorize an expansion of the partial tax credit for residential real property located within the impacted area of the Brown Station Road Sanitary Landfill.

Resource Personnel:

Nell Johnson, District 6 Council staff
Department of Finance Staff

Discussion/Policy Analysis:

The proposed legislation will provide for a greater number of residents whose properties are located near the Brown Station Road Sanitary Landfill to receive a partial property tax credit. The current law limits eligibility to improved residential property purchased by the requestor of the credit prior to June 30, 1987 which is within one-half mile of the boundary of the area permitted by the State for the landfilling of solid waste, or otherwise abutting either of the two specified landfills.

CB-082-2020 would eliminate the restriction based on the date of purchase, and would also alter the specificity of the linear limit for eligible properties. Eligible properties under CB-082-2020 would include all improved (residential) properties one-half mile from the Brown Station Road Landfill's property line, versus one-half mile from the boundary of an area permitted by the State for landfilling of solid waste. The latter (current language) could exempt certain properties if the State revoked the permitting of certain areas of the landfill.

The property tax credit amount (under current law and under CB-02-2020) is paid from the site development and environmental surcharge collected pursuant to §21-123 and is equal to the average cost of refuse collection for the eligible property.

The Bill would also require the Treasury Division of the Office of Finance and the Department of the Environment to provide proper notice to eligible property owners of their eligibility for the credit. It also requires that the forms for eligibility be provided no later than July 1st of a given year, and approval be made no later than October 1st of that same year. Both of those provisions could result in an increase in the number of residential property owners that will apply for and receive a partial property tax credit.

The Bill also adds language stating that the partial property tax credit shall be granted annually as long as the Brown Station Road Sanitary Landfill is operating.

Fiscal Impact:

- *Direct Impact*

Enactment of CB-082-2020 will have a significant negative fiscal impact on the County by reducing the amount of property taxes collected. According to the Treasury Division of the Office of Finance, there are currently 42 households that have applied for the partial property tax credit and receive \$236.55 annually, for a total cost of \$9,935.10 to the County. Under the new legislation, up to 6,220 households could apply and receive a total of \$1,471,341 annually from the County. This would be a negative impact of \$1,461,405.90 annually that would be subtracted from the County's tax base.

The eligibility of properties under CB-082-2020 is as follows:

Section 10-194.02(a)(1): within ½ mile from landfill.

- 370 addresses have a yes for developed and built data before or in 1986
 - 993 addresses have a yes for developed and built data after 1987
- Subtotal eligible addresses: 1,363

Section 10-194.02(a)(2): abutting certain roads.

- 741 addresses have a yes for developed and built data before or in 1986
 - 4,116 addresses have a yes for developed and built data after 1987
- Subtotal eligible addresses: 4,857

Total eligible addresses: 6,220

From the above information, one can deduce that the removal of the requirement that an eligible property be purchased on or before June 30, 1987 by approximately 5,109 properties (and probably far more, as many of the properties built pre-1987 have been resold in the intervening 33 years).

- *Indirect Impact*

Enactment of CB-082-2020 will likely have no indirect fiscal impact.

- *Appropriated in the Current Fiscal Year Budget*

No.

Effective Date of Proposed Legislation:

This Act shall take effect forty-five (45) days after it becomes law.

If you require additional information, or have questions about this fiscal impact statement, please reach me via phone or email.