

# SENATE BILL 450

Q2

EMERGENCY BILL  
**ENROLLED BILL**

(0lr2140)

— *Budget and Taxation/Ways and Means* —

Introduced by **Senators Brinkley and Mooney**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Frederick County – Property Tax Setoff**

3 FOR the purpose of requiring the governing body of Frederick County to grant a  
4 property tax setoff to a municipal corporation ~~in an amount no less than the~~  
5 ~~amount granted for a certain tax year and in an amount that increases by a~~  
6 ~~certain percentage under certain circumstances~~ *in certain minimum amounts*  
7 *for certain taxable years*; making this Act an emergency measure; and generally  
8 relating to a property tax setoff in Frederick County.

9 BY repealing and reenacting, with amendments,  
10 Article – Tax – Property  
11 Section 6–305  
12 Annotated Code of Maryland  
13 (2007 Replacement Volume and 2009 Supplement)

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics* indicate opposite chamber/conference committee amendments.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Tax – Property**

4 6–305.

5 (a) In this section, “tax setoff” means:

6 (1) the difference between the general county property tax rate and  
7 the property tax rate that is set for assessments of property in a municipal  
8 corporation; or

9 (2) a payment to a municipal corporation to aid the municipal  
10 corporation in funding services or programs that are similar to county services or  
11 programs.

12 (b) This section applies only in:

13 (1) Allegany County;

14 (2) Anne Arundel County;

15 (3) Baltimore County;

16 (4) Frederick County;

17 (5) Garrett County;

18 (6) Harford County;

19 (7) Howard County;

20 (8) Montgomery County; and

21 (9) Prince George’s County.

22 (c) The governing body of the county shall meet and discuss with the  
23 governing body of any municipal corporation in the county the county property tax  
24 rate to be set for assessments of property in the municipal corporation as provided in  
25 this section. After the meeting if it can be demonstrated that a municipal corporation  
26 performs services or programs instead of similar county services or programs, the  
27 governing body of the county shall grant a tax setoff to the municipal corporation.

28 (d) **[In] EXCEPT AS PROVIDED IN SUBSECTION (K) OF THIS SECTION, IN**  
29 determining the county property tax rate to be set for assessments of property in a  
30 municipal corporation, the governing body of the county shall consider:

1           (1) the services and programs that are performed by the municipal  
2 corporation instead of similar county services and programs; and

3           (2) the extent that the similar services and programs are funded by  
4 property tax revenues.

5           (e) The county property tax rate for assessments of property located in a  
6 municipal corporation is not required to be:

7           (1) the same as the rate for property located in other municipal  
8 corporations in the county; or

9           (2) the same as the rate set in a prior year.

10          (f) (1) At least 180 days before the date that the annual county budget is  
11 required to be approved, any municipal corporation in the county that desires that a  
12 tax setoff be provided shall submit to the county a proposal that states the desired  
13 level of property tax setoff for the next fiscal year.

14           (2) (i) A request submitted under paragraph (1) of this subsection  
15 shall be accompanied by:

16                           1. a description of the scope and nature of the services or  
17 programs provided by the municipal corporation instead of similar services or  
18 programs provided by the county; and

19                           2. financial records and other documentation regarding  
20 municipal revenues and expenditures.

21           (ii) The materials submitted under subparagraph (i) of this  
22 paragraph shall provide sufficient detail for an assessment of the similar services or  
23 programs.

24           (3) After receiving a proposal from a municipal corporation requesting  
25 a tax setoff under this subsection, the governing body of the county shall promptly  
26 submit to the municipal corporation financial records and other documentation  
27 regarding county revenues and expenditures.

28          (g) (1) At least 90 days before the date that the annual county budget is  
29 required to be approved, the county and any municipal corporation submitting a tax  
30 setoff request under subsection (f) of this section shall designate appropriate policy  
31 and fiscal officers or representatives to meet and discuss the nature of the tax setoff  
32 request, relevant financial information of the county and municipal corporation, and  
33 the scope and nature of services provided by both entities.

1           (2) A meeting held under paragraph (1) of this subsection may be held  
2 by the county representatives jointly with representatives from more than one  
3 municipal corporation.

4           (3) (i) The county officers or representatives may request from the  
5 municipal corporation officers or representatives additional information that may  
6 reasonably be needed to assess the tax setoff.

7                   (ii) The municipal corporation officers or representatives shall  
8 provide the additional information expeditiously.

9           (h) (1) At or before the time the proposed county budget is released to the  
10 public, the county commissioners, the county executive of a charter county, or the  
11 county council of a charter county without a county executive shall submit a statement  
12 of intent to each municipal corporation that has requested a tax setoff.

13           (2) The statement of intent shall contain:

14                   (i) an explanation of the level of the proposed tax setoff;

15                   (ii) a description of the information or process used to determine  
16 the level of the proposed tax setoff; and

17                   (iii) an indication that, before the budget is enacted, appropriate  
18 officials or representatives of the municipal corporation are entitled to appear before  
19 the county governing body to discuss or contest the level of the proposed tax setoff.

20           (i) Representatives of each municipal corporation in the county requesting a  
21 tax setoff shall be afforded an opportunity to testify before the county governing body  
22 during normally scheduled hearings on the county's proposed budget.

23           (j) Notwithstanding the provisions of subsections (d), (f), and (g) of this  
24 section:

25                   (1) a county and one or more municipal corporations may enter into an  
26 agreement setting different terms or timing for negotiations, calculations, or approval  
27 of a tax setoff; and

28                   (2) a county may grant a tax setoff to a municipal corporation that  
29 does not make a request in the fashion described in this section.

30           **(K) IN FREDERICK COUNTY, FOR THE TAXABLE YEAR THAT BEGINS**  
31 **JULY 1, 2011, AND EACH TAXABLE YEAR THEREAFTER, THE GOVERNING BODY**  
32 **OF FREDERICK COUNTY SHALL GRANT A TAX SETOFF TO A MUNICIPAL**  
33 **CORPORATION IN AN AMOUNT THAT:**

1           **(1) IS NO LESS THAN THE TAX SETOFF GRANTED TO THAT**  
2 **MUNICIPAL CORPORATION FOR THE PRECEDING TAXABLE YEAR; AND**

3           **(2) INCREASES BY THE SAME PERCENTAGE BY WHICH THE**  
4 **COUNTY PROPERTY TAX RATE EXCEEDS THE CONSTANT YIELD TAX RATE.**

5           SECTION 2. AND BE IT FURTHER ENACTED, That for the taxable year that  
6 begins July 1, 2010, the governing body of Frederick County shall grant a tax setoff to  
7 a municipal corporation in an amount that is no less than the amount granted to that  
8 municipal corporation for the taxable year that began July 1, 2008, and increases by  
9 the same percentage by which the county property tax rate exceeds the constant yield  
10 tax rate.

11           SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency  
12 measure, is necessary for the immediate preservation of the public health or safety,  
13 has been passed by a ye and nay vote supported by three-fifths of all the members  
14 elected to each of the two Houses of the General Assembly, and shall take effect from  
15 the date it is enacted.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.