

**COUNTY ORDINANCE NO. 13-28**

**A BILL ENTITLED**

**AN ACT CONCERNING the Tax Setoff for Municipal Corporations in Queen Anne's County.**

**FOR THE PURPOSE of establishing the process and procedure to be followed in Queen Anne's County in connection with the tax setoff for municipal corporations authorized by Section 6-306 of the Tax-Property Article of the Annotated Code of Maryland; providing definitions and the relationship between the provisions and State law; providing for calculation and determination of a tax differential for each municipality; providing the obligations of each municipality with respect thereto; providing for the type of tax setoff to be provided; and generally addressing and providing for tax setoffs for municipal corporations in Queen Anne's County.**

**BY ADDING a new Article VI, Sections 5-22, 5-23, and 5-24 to Chapter 5 of the Code of Public Local Laws of Queen Anne's County, Maryland.**

**SECTION I**

**BE IT ENACTED BY THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, MARYLAND that a new Article VI, Sections 5-22, 5-23 and 5-24 be added to the Code of Public Local Laws to read as follows:**

**ARTICLE VI  
Tax Setoff**

**§5-22. Definitions; Relation to State Law.**

**A. Definitions. The terms used in this Article VI, including the term "tax setoff" shall have the meanings as set forth in Section 6-306 of the Tax-Property Article of the Annotated Code of Maryland.**

**B. Relation to State Law. This Article VI is intended to supplement the provisions of Section 6-306 of the Tax-Property Article of the Annotated Code of Maryland and to clarify the process to be followed in connection with tax setoffs for the various incorporated municipalities in Queen Anne's County.**

**§5-23. Process and Procedures.**

**A. Determination of tax setoff. The Queen Anne's County Finance Officer shall annually calculate and determine:**

- (1) the services and programs that are performed by each municipal corporation instead of similar county services and programs; and**
- (2) the extent that the similar services and programs are funded by County property tax revenues;**
- (3) the extent to which County services are not provided in the municipality and the corresponding tax rate associated with such services; and**
- (4) the amount of tax differential that would fairly offset the services and programs not provided by the County in the municipality which calculation may include the value to municipal residents of County services provided outside of the municipality.**

**B. Municipal obligations. In order to be eligible for a tax setoff a municipal corporation must provide:**

- (1) a description of the scope and nature of services or programs provided by the municipal corporation instead of similar service or programs provided by the County; and**
- (2) financial records and other documentation regarding municipal revenues and expenditures.**

**§5-24. Type of tax setoff.**

**Following the calculation and determination required by the proceeding Section, the Finance Officer shall determine and propose to the County Commissioner a rate of tax for each municipal corporation in the County which would take into account the factors enumerated in Sections 5-23 A. The Commissioners shall then adopt a tax offset for each municipality. A tax differential shall be the preferred method of providing a tax setoff, however, any municipal corporation desiring a payment to the municipal corporation to aid the municipal corporation in funding services or programs in lieu of such tax differential, shall make a written request for the same to the County Commissioners. The County Commissioners may agree to such direct payment and, in their discretion, may grant a direct payment which exceeds the amount of revenue reduction which would be caused by the proposed tax differential.**

**SECTION II**

**BE IT ENACTED BY THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, MARYLAND that this Act shall take effect on the forty-sixth (46<sup>th</sup>) day following its enactment.**

**INTRODUCED BY: Commissioner Dunmyer**

**DATE: November 26, 2013**

**PUBLIC HEARING HELD: January 28, 2014 @ 6:10 p.m.**

**VOTE: 5 Yea 0 Nay**

**DATE OF ADOPTION: February 11, 2014**

**EFFECTIVE DATE: March 29, 2014**