



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

November 2016

The County Council and County Executive  
of Prince George's County, Maryland

Re: Tax Collections Made Under the Tax-Property  
Article, Title 13, Subtitle 3, Agricultural  
Land Transfer Tax, Section 13-302, of the  
Annotated Code of Maryland

The State of Maryland's Department of Agriculture requires an audit of tax receipts collected under the authority granted by the Tax-Property Article, Title 13, Subtitle 3, Agricultural Land Transfer Tax, Section 13-302, of the Annotated Code of Maryland, and the subsequent disposition of these tax receipts for the period July 1, 2014, to June 30, 2015.

Under the law applicable to the fiscal year ended June 30, 2015, all tax receipts related to woodlands are to be remitted to the Comptroller of the Treasury. Two-thirds of the tax receipts related to agricultural land are to be remitted to the Comptroller of the Treasury, and one-third of the tax receipts related to agricultural land is to be held in a special account by the subdivision (i.e., the County). The County's one-third, which is held in a special account by the County, is to be used for an approved agricultural land preservation program. If, after three years, these funds have not been expended or committed, they are to be remitted to the State.

The Maryland Department of Planning (MDP) and the Maryland Agricultural Land Preservation Foundation (MALPF) jointly administers the Program for the Certification of County Agricultural Land Preservation Programs (the "Certification Program"), which allows counties to keep more locally generated agricultural land transfer tax in exchange for creating effective local land preservation programs and continually evaluating and improving them. Once certified, counties are allowed to keep 75% of the Agricultural Transfer Tax revenue as compared to only

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one-third for uncertified counties. All retained funds must be spent or encumbered for land preservation purposes within three years or the funds are to be remitted to State for inclusion in the Maryland Agricultural Land Preservation Fund. Prince George's County became a certified County within the Certification Program in April 2014. This certification remained in effect for all agricultural tax collections in fiscal year 2015.

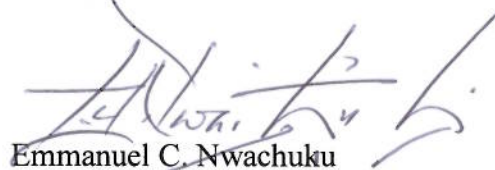
The Agricultural Land Transfer Tax is collected by Prince George's County based on information that is provided by the State of Maryland's Department of Assessments and Taxation. We reviewed the records maintained at the State of Maryland's Department of Assessments and Taxation and the reports generated by Prince George's County relating to the land subject to this tax. Our examination involved tests of the records and auditing procedures, as we considered necessary.

Exhibit A presents the fiscal year 2015 tax collection activity, the amounts transmitted to the Comptroller of the Treasury and the amounts retained by Prince George's County.

In our opinion, Exhibit A fairly presents the financial activity of Prince George's County regarding tax collections made under the authority granted by the Tax-Property Article, Title 13, Subtitle 3, Agricultural Land Transfer Tax, Section 13-302, of the Annotated Code of Maryland.



David H. Van Dyke, CPA  
County Auditor



Emmanuel C. Nwachuku  
Staff Auditor

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**SUMMARY OF AGRICULTURAL LAND TRANSFER TAX**  
**COLLECTION REMITTANCES TO THE COMPTROLLER**  
**OF THE TREASURY AND AMOUNTS RETAINED BY**  
**PRINCE GEORGE'S COUNTY FOR THE FISCAL**  
**YEAR ENDED JUNE 30, 2015**

Balance retained as of June 30, 2014		\$259,284
Fiscal Year 2015 Activity		
Agricultural Land Transfer Collections:		
Agricultural Land		<u>101,973</u>
Balance Before Expenditures		\$361,257
Less:		
MALPF Acquisition-Whitson & Rogers	(\$138,827)	
Remittance to the Comptroller of the Treasury:		
(1/4 Agricultural Land Portion June 30, 2015)	(25,006)	
(2/3 Agricultural Land Portion)	(1,302) (1)	
Administrative Expenses	<u>(12,500)</u>	<u>(177,635)</u>
Balance Retained as of June 30, 2015		<u>\$183,622</u>
Balance Retained Consisted of:		
Fiscal Year Ended:		
June 30, 2013	\$120,456	
June 30, 2014	0	
June 30, 2015	<u>63,166</u>	
Total		<u>\$183,622</u>

## NOTE TO EXHIBIT A

- (1) Agricultural Tax received from an assessment on a property related to fiscal year 2013 activity. The tax was not collected in fiscal year 2013, and, as a result, a lien was placed on the property by the County. The lien was paid in 2015, however the amount to be remitted to the Comptroller of the Treasury was based upon the fiscal year 2013 required applicable 2/3 portion.