



PRINCE GEORGE'S COUNTY

TAX CREDIT REFORM COMMISSION

APRIL 23, 2018
MINUTES

The following Tax Credit Reform Commission members were present at 3:07 p.m.

Tax Credit Reform Commission Members:

Jacqueline Brown
James R. Estep
Thomas Himler
Andrew Pantelis
John Teletcha
Agnes Diane Williams
David Harrington
Stanley Earley

Linda Allen
Theresa Dudley
Turkessa Green
David Iannucci
John Tabori
Eric Watson
Christian Rhodes

Council Members and Staff:

Howard W. Stone, Jr.
Maurice Simpson, Jr.
Gillie Haynes

Colette R. Gresham
Nell Johnson

Other Attendees:

Jordan Silverman

OPENING REMARKS/INTRODUCTION OF MEMBERS:

Chair Jacqueline Brown called the meeting to order at 3:07 p.m. The Commission reviewed and approved the minutes from the April 9th meeting. The Chair welcomed everyone and asked all Commission members and staff to introduce themselves. Staff gave an overview of the agenda and informed Commission members that a list of future meeting dates and time will be sent out.

PRESENTATION – COMMISSIONER LINDA ALLEN, OFFICE OF FINANCE:

Commissioner Allen gave an overview of the 25 tax credits granted in Fiscal Year (“FY”) 2018, which totaled \$64,681,252 and of that amount, \$59,609,149 was specifically for residential tax credits with the highest being the Homestead Tax Credit (\$51,559,064) and the Homeowners Tax Credit (\$7,274,096). There are approximately seven unused tax credits, which includes the following: Accessibility Features; Arts and Entertainment District; Business Incubator; Conservation Land; Grocery Store; Manufacturing, Fabrication, Assembling and Research and Development; and Urban Agriculture. Commissioner Allen

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informed the Commission that the Homeowners Tax Credit and the Renters Tax Credit are administered by the State through an annual application yet there may be many County residents who qualify for these tax credits but are not taking advantage of them. She also noted that the Alternative Energy Tax Credit has had a waiting list since 2010 and the list extends to FY 2028. The tax credit has a \$5,000 cap and a funding limit of \$250,000. Montgomery County and Howard County suspended their Alternative Energy Tax Credit programs in 2011 and 2012 respectively. Commissioner Allen stated that the Homestead Property Tax Credit helps to offset the increase in taxes associated with the increased assessment by limiting the dollar value of the assessment that is used to calculate the taxes due. Therefore, the homeowner pays no property tax on the market value increases which is above the limit and the State limit is 10%. The County also provides a limit on taxable assessment increases based on changes in the CPI. The limit for FY'18 is 1%, for FY'17 the limit was 0%, and for FY'16 the limit was 2%. The lower the limit, the higher the Homestead credit. She also highlights that the Revitalization and/or Enterprise Zone Tax Credit programs have a State and County component and range for 5-10 years which can make some of the other business tax credits less attractive.

DISCUSSION:

The Commission discussed taking a deeper dive into the highest four tax credit programs. Staff recommended breaking the Commissioners into subcommittees to delve into the particulars of each tax credit. There was discussion as to whether the County is giving away too much revenue and if the tax credits are hurting the revenue geared towards infrastructure. The Commission would like the following: 1) a historical context of why we have each tax credit, 2) information on whether the tax credits are helping bring businesses to the County and 3) the types of strategies the County has implemented to use tax credits to help the County's senior population. Commissioner Tabori suggested that the Commission look at the effects of the Tax Reform Initiative by Marylanders ("TRIM") which was enacted in 1978 by public referendum and limits the maximum tax rate that could be charged against all real property in the County.

Meeting adjourned – 4:24 p.m.

Next Meeting – May 7, 2018 at 3:00 p.m.