

MINUTES
Public Hearing of the College Park City Council

Ordinance 09-O-01:

**An Ordinance Of The Mayor And Council Of The City Of College Park, Maryland,
Amending Chapter 175 “Taxation” To Add Article III, “Homeowners’ Property Tax
Credit”, Section 175-4 , “Supplement To State Homeowners’ Property Tax Credit” To Enact
A Supplement Of 15% To The State Homeowners’ Property Tax Credit For Homeowners In
The City**

**Tuesday, March 24, 2009
7:30 p.m.**

PRESENT: Mayor Brayman; Councilmembers Molinatto (arrived 7:39 p.m.), Wojahn, Catlin, Stulich, Mark Cook, Hampton (arrived 7:36 p.m.) and Mary Cook; Student Liaison Dan Hartinger.

ABSENT: Councilmember Perry.

ALSO PRESENT: Joe Nagro, City Manager; Suellen Ferguson, City Attorney; Janeen Miller, City Clerk; Steve Groh, Director of Finance.

A quorum being present, Mayor Brayman called the Public Hearing to order at 7:35 p.m. He invited Steve Groh to provide an overview.

Mr. Groh stated that Ordinance 09-O-01 would add a new section to the City Code that would provide a City homeowner with a property tax credit against the total city tax the resident pays on their consolidated County tax bill. The state has a homeowners’ property tax credit program now. The resident would apply for the City Homeowners’ Tax Credit each year after they file their income tax return. Then the Maryland State Department of Assessments and Taxation (SDAT) would process the application and determine what the resident’s City tax credit would be. The calculations are complex and are based not just on taxable income, but also on other types of income that are not taxable and may not be reported on a tax return. That is why there is an annual application process.

Mr. Groh explained that other local municipalities that have implemented similar homeowners’ property tax credit programs in the last few years. The City Council expressed an interest in providing a similar program, with up to \$30,000 of tax credit being estimated in the first year. SDAT helped Mr. Groh back in to the 15% figure based on Council’s desire to provide \$30,000 in credits. Depending on the timing of the resident’s application, the tax credit could come off the property tax bill, or be provided later as a refund. The tax credit cannot reduce a person’s tax below zero.

Mr. Groh stated that approximately 200 City residents qualified for the State tax credit program last year. If the same number of residents qualifies for the proposed City tax credit, it is assumed that the proposed 15% credit amount would equal about \$30,000. But given these hard economic times, it is possible that more people would qualify this year, and the \$30,000 amount could be exceeded. Once adopted, the tax credit program will be advertised as appropriate.

Mayor Brayman invited public comment on the proposed Ordinance. There was no public comment given.

Mayor Brayman declared the Public Hearing closed at 7:41 p.m.

Janeen S. Miller
City Clerk

Date Approved