

## MEMORANDUM

**TO:** City Council

**FROM:** David J. Deutsch  
City Manager

**SUBJECT:** Legislative Update

**DATE:** January 31, 2008

### A. Bond Bills

Our delegation is sponsoring six bills to benefit local organizations in Bowie. They are as follows:

1. **HB 379/SB 319 Cornerstone Assembly of God** - \$20,000 grant to be used for the construction, repair, renovation, reconstruction and capital equipping of the Cornerstone Assembly of God gymnasium and associated facilities, located at the intersections of MD 450 and Racetrack Road. Plans are to convert existing sanctuary space into a gymnasium. The bill's language specifies that a matching grant is required and that the funds cannot be used to design, acquire, or construct any building to be used for religious worship or instruction.

**Recommendation:** Staff recommends obtaining more information from Cornerstone Assembly of God regarding how this gymnasium would be used. If in fact the gymnasium would be made available to groups in the City and would be programmed through the gym allocation process, then Council should consider supporting this bill.

2. **HB 270/SB 318 Bowie Lions Club** – \$10,000 grant to the Bowie Lions Club for the construction, repair, renovation, reconstruction, and capital equipping of the club building, located in Old Town Bowie. A matching grant is required.

**Recommendation:** Support. The Bowie Lions Club participates in many charitable and community activities in Bowie, including the monthly SHARE program and the eye glasses program. The Club makes their club space available to other organizations and has offered to make it available to the City if it were to be needed for emergency management purposes.

3. **HB 456/SB 358 Belair Bath and Tennis Club**
4. **HB 457/SB 338 Belair Swim and Racquet Club**
5. **HB 491/SB 337 Pointer Ridge Swim and Racquet Club**
6. **HB 492/SB 339 Whitehall Pool and Tennis Club**

Each of these bills would provide a \$20,000 grant to the Board of Directors of the specified swim clubs in Bowie to be used for repair and renovation of club facilities. According to Senator Peters' office, matching funds of at least 25% of the grant amount will be required, although only the Pointer Ridge bill specifically states that a matching grant is needed.

**Recommendation:** Support all four of these bills.

## **B. Bills Relating to Municipal Revenue**

### **1. HB 178/SB 131 – Municipal Corporations – Hotel Rental Tax**

This bill would allow municipalities that do not currently receive a portion of their county's hotel/motel tax to collect a municipal hotel/motel tax. The authorized tax rate would be up to 2%. The bill is written in such a way that it would not impact municipalities such as Bowie that already have a sharing agreement in place with their respective counties. Bowie receives half of the County's 5% hotel/motel tax for hotels located in the City. Senator Peters is a co-sponsor of the Senate bill.

**Recommendation:** No position.

### **2. Municipal Corporations – Transfer Tax**

In an effort to secure more revenue sources for municipalities, one of the Maryland Municipal League's (MML) priority initiatives for 2008 is this legislation to permit municipalities to impose a maximum 0.5% transfer tax on properties transferred within municipal borders. The legislation will require that one-half of the monies raised be used for growth-related infrastructure such as roads, streets, water and wastewater facilities, emergency and public safety services, etc. House and Senate versions of the bills have not been introduced yet.

**Recommendation:** Support. This bill is enabling in nature and would not require the City to levy its own transfer tax.

### **3. Municipal Corporations – Taxation**

This bill, which has yet to be formally introduced, would allow municipalities to impose a sales and use tax on electricity, gas, steam, coal, fuel oil or liquefied petroleum gas used by commercial and industrial businesses within the municipality. It would also restrict the types of business personal property that could be taxed by a municipality.

Delegate Carr contacted the City earlier this week and asked the Council to support this bill. His intent is to provide an alternate revenue source for municipalities to use in place of personal property tax collected on businesses.

Currently the State certifies to the City the assessed value of business personal property. The City prepares a separate tax bill for each business and collects the taxes directly from each business. This bill does not address how such a business energy tax might be collected. Implementing such a program would require the cooperation of the energy providers to provide usage data and/or collect the sales and usage tax. The bill also fails to describe: (1) how the energy and fuel providers would identify the commercial or industrial businesses located in the municipal corporation, (2) when the municipality would receive the sales and use tax collected by the energy and fuel providers, (3) what information would be provided to the municipalities from the energy and fuel providers (commercial or industrial business names, addresses of commercial or industrial businesses, amount of energy and fuel used by each commercial or industrial business), and (4) what, if any, administration or processing fee that the energy and fuel providers would be entitled to keep.

**Recommendation:** No position at this time.

### C. Speed Camera Legislation

#### 1. **SB269/HB 364 – Speed Cameras - Statewide Authorization and Use in Highway Work Zones**

MML's priority legislation to permit the use of speed cameras has been included in the Governor's legislative package. These bills allow speed cameras in work zones and in residential areas and school zones. MML is partnering with the Maryland Association of Counties to pass this legislation.

#### 2. **PG 312/PG 316/PG 324 - Prince George's County – Speed Monitoring Systems**

These bills would be unnecessary if the General Assembly passes a statewide bill. The Prince George's House Delegation has not taken action on them and no hearings are scheduled at this point.

**Recommendation:** Continue to monitor the progress of these bills. Council has previously voted to support local or statewide bills permitting speed cameras. Letters of support have already been sent.

**D. Prince George's Hospital**

According to press reports, the County Executive is very close to announcing a plan to save the Prince George's Hospital System. The plan reportedly has the support of the County Council and is expected to include a large state contribution. The Governor and Prince George's House Delegation Chair Frush have indicated that any plan involving State money must include an independent hospital authority. According to bills introduced about such an authority, the entity would oversee the hospital system and would hold the land, buildings and other hospital assets currently owned by the County.

**Recommendation:** Review the proposal when it is announced by the County Executive, paying particular attention to plans for the Bowie Health Center. Continue to monitor the progress of legislation regarding a hospital authority.