



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

September 2013

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, 2011, to June 30, 2012.

Under the law applicable to the fiscal year ended June 30, 2012, 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 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 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.

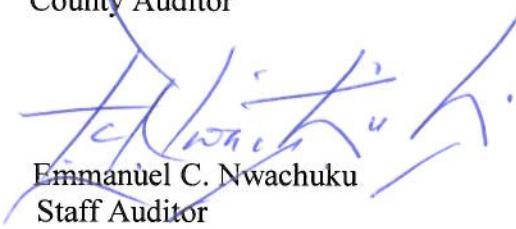
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Exhibit A presents the fiscal year 2012 tax collection activity, the amounts transmitted to the Comptroller of the Treasury and the amounts retained by Prince George's County.

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. Nwachukwu
Staff Auditor

PRINCE GEORGE'S COUNTY, MARYLAND
SUMMARY OF AGRICULTURAL LAND TRANSFER TAX
COLLECTIONS REMITTANCES TO THE COMPTROLLER
OF THE TREASURY AND AMOUNTS RETAINED BY
PRINCE GEORGE'S COUNTY FOR THE FISCAL
YEAR ENDED JUNE 30, 2012

Balance retained as of June 30, 2011		\$839,396
Fiscal Year 2012 Activity		
Agricultural Land Transfer Collections:		
Agricultural Land		<u>377,290</u>
Balance Before Expenditures		\$1,216,686
Less:		
Reclassified Tri- County Council Funds	(\$766,194)	(1)
Remittance to the Comptroller of the Treasury:		
(2/3 Agricultural Land Portion June 30, 2012)	(251,526)	
Balance of FY 08 Agricultural Land Tax	(9,239)	(2)
Administrative Expenses	(30,000)	
Refund to General Fund	<u>(116)</u>	<u>(1,057,075)</u>
Balance Retained as of June 30, 2012		<u>\$159,611</u>
Balance Retained Consisted of:		
Fiscal Year Ended:		
June 30, 2009	24,655	(4)
June 30, 2010	7,189	(4)
June 30, 2011	32,120	(4)
June 30, 2012	<u>95,647</u>	
Total		<u>\$159,611</u>

NOTES TO EXHIBIT A

- (1) Funds reclassified to a Special Revenue fund to be utilized for the Tobacco Crop Conversion/Tobacco Buyout Program operated by the Southern Maryland Agricultural Development Commission via the Tri-County Council. This voluntary program is a State approved agricultural land preservation program that provides funds to eligible Maryland tobacco growers who permanently abandon the production of tobacco.
- (2) The balance of three year old money remitted (as required) to the State of Maryland's Department of Agriculture.
- (3) County portion of a refund made to a taxpayer in fiscal year 2012 due to an error in fiscal year 2011 agricultural tax collections.
- (4) Current fiscal years 2009, 2010, and 2011 balances are reflective of allocation adjustments made during fiscal year 2012. These adjustments reallocated the fiscal year 2011 retained agricultural land tax transfer balance of \$839,396, net of outlays of \$766,194 and \$9,239, to fiscal years 2009, 2010, and 2011 restated balances as follows:

FY 2011 Prince Georges County Agricultural Land Tax Transfer Balance	\$ 839,396
Lees: Funds Reclassified to Special Revenue Fund (See Note #1)	(766,194)
FY 2008 Balance remitted to Comptroller	<u>(9,239)</u>
Balance Retained- FY 2009, 2010, & 2011	<u>\$ 63,963*</u>

*Rounding