

February 2003

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, 2001 to June 30, 2002.

Under the law applicable to the fiscal year ended June 30, 2002, 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.

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The Agricultural Land Transfer Tax is collected by Prince George's County based on the information that is provided by the State Department of Assessments and Taxation. We reviewed the records maintained at the State 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 2002 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, CIA  
County Auditor

Emmanuel C. Nwachukwu  
Auditor-In-Charge

Exhibit A

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, 2002

Balance Retained as of June 30, 2001	\$334,167
Less:	
Remittance to Comptroller of the Treasury:	
Agricultural Land (June 30, 1998)	<u>46,588</u> <sup>(1)</sup>
	\$287,579
Fiscal Year 2002 Activity	
Agricultural Land Transfer Tax Collections:	
Agricultural Land	\$311,035
Less:	
Remittance to Comptroller of the Treasury:	
Agricultural Land (June 30, 2002)	<u>207,357</u> <u>103,678</u>
Balance Retained as of June 30, 2002	<u>\$391,257</u>
Balance retained consisted of:	
Fiscal Year Ended:	
30-Jun-99	\$93,793 <sup>(2)</sup>
30-Jun-00	90,326
30-Jun-01	103,460
30-Jun-02	<u>103,678</u>
	<u>\$391,257</u>

NOTE:

- (1). The balance retained for the Fiscal Year Ended June 30, 1998 was due to the Comptroller of the Treasury by June 30, 2001. However, the actual transfer did not occur until July 9, 2001.
- (2). The balance for Fiscal Year Ended June 30, 1999 is shown as balance retained for the Fiscal Year Ended June 30, 2002. The actual remittance to the State was made on July 18, 2002, therefore it is shown as a balance retained for the Fiscal Year Ended June 30, 2002. No funds were expended for an approved agricultural land preservation program.

