



Committee: Directly to Council
Committee Review: At a future date
Staff: Robert H. Drummer, Senior Legislative Attorney
Purpose: To introduce agenda item – no vote expected
Keywords: #ConsensusRevenues #BetterForecasting

AGENDA ITEM 8A
February 2, 2021
Introduction

SUBJECT

Bill 6-21, Finance – Revenue Estimating Group - Established
Lead Sponsor: Councilmember Friedson
Co-Sponsors: Councilmembers Navarro and Katz

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- To introduce Bill – no vote expected

DESCRIPTION/ISSUE

Bill 6-21 would establish a Revenue Estimating Group to review and forecast County revenues and provide for membership and duties of the Group.

SUMMARY OF KEY DISCUSSION POINTS

This report contains:

Bill 6-21	©1
Legislative Request Report	©4
Md. State Finance and Procurement Code Ann. § 6-105	©5

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M E M O R A N D U M

January 28, 2021

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Bill 6-21, Finance – Revenue Estimating Group - Established

PURPOSE: Introduction – No Council vote required

Bill 6-21, Finance – Revenue Estimating Group - Established, sponsored by Lead Sponsor Councilmember Friedson and Co-sponsored by Councilmembers Navarro and Katz, is scheduled to be introduced on February 2, 2021. A public hearing is tentatively scheduled for February 23, 2021 at 1:30 p.m.¹

Bill 6-21 would establish a Revenue Estimating Group to review and forecast County revenues and provide for membership and duties of the Group. The Group would consist of staff members from Finance, Office of Management and Budget, Council Central Staff, Office of Legislative Oversight, and the Office of the Chief Administrative Officer. The Group would be required to report their revenue projections to the Executive and the Council quarterly. The Bill is based on a similar group formed to provide revenue forecasts for the State, the Consensus Revenue Monitoring and Forecasting Group. See Md. State Finance and Procurement Code Ann. § 6-105 at (©5-7). The goal of the Bill is to increase the accuracy and usefulness of County revenue projections necessary for budget decision-making.

This packet contains:	<u>Circle #</u>
Bill 6-21	1
Legislative Request Report	4
Md. State Finance and Procurement Code Ann. § 6-105	5

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¹#ConsensusRevenues #BetterForecasting

Bill No. 6-21
Concerning: Finance – Revenue
Estimating Group - Established
Revised: 1/26/2021 Draft No. 5
Introduced: February 2, 2021
Expires: August 2, 2022
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Friedson
Co-Sponsors: Councilmembers Navarro and Katz

AN ACT to:

- (1) establish a Revenue Estimating Group to review and forecast County revenues;
- (2) provide for membership and duties of the Group; and
- (3) generally amend the law governing the review and forecast of County revenues.

By adding

Montgomery County Code
Chapter 20, Finance
Article XVII
Section 20-84

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Article XVII and Section 20-84 are added as follows:**

2 **Article XVII. Revenue Estimating Group.**

3 **20-84. Revenue Estimating Group.**

4 (a) Definitions. As used in this Section:

5 Group means the Revenue Estimating Group established in this Section.

6 Revenue means all funds received by the County, including:

- 7 (1) income tax;
- 8 (2) property tax;
- 9 (3) fuel energy tax;
- 10 (4) recordation tax;
- 11 (5) development impact tax;
- 12 (6) room rental and transient tax;
- 13 (7) telephone tax;
- 14 (8) any other tax receipts authorized under law;
- 15 (9) State grants;
- 16 (10) Federal grants;
- 17 (11) permit fees; and
- 18 (12) any other funds that are reasonably expected.

19 (b) Group established. There is a Revenue Estimating Group.

20 (c) Membership. The Group must include one or more representatives from
21 the following departments and offices:

- 22 (1) Office of the Chief Administrative Officer;
- 23 (2) Department of Finance;
- 24 (3) Office of Management and Budget;
- 25 (4) County Council Central Staff; and
- 26 (5) Office of Legislative Oversight.

- 27 (d) Chair. The Chief Administrative Officer’s representative must be the
 28 chair.
- 29 (e) Duties. The Group must:
- 30 (1) review and analyze the attainment of revenue on a quarterly basis;
 31 (2) develop revenue forecasts and any necessary revisions to those
 32 forecasts;
 33 (3) perform any studies or analyses requested by the Executive or the
 34 Council President;
 35 (4) develop a methodology to forecast revenue; and
 36 (5) provide quarterly reports on revenue projections to the Executive
 37 and the Council each year on:
- 38 (A) February 15;
 39 (B) May 15;
 40 (C) September 15; and
 41 (D) December 15.
- 42 (f) Staff. The Director of the Department of Finance must provide staff
 43 support for the Group.
- 44 (g) Meetings. The Group must meet at least one time each quarter.

LEGISLATIVE REQUEST REPORT

Bill 6-21

Finance – Revenue Estimating Group – Established

DESCRIPTION:	Bill 6-21 would establish a Revenue Estimating Group to review and forecast County revenues and provide for membership and duties of the Group.
PROBLEM:	Accurate revenue projections are crucial to adopting a budget. The Council needs more input into revenue projections on a periodic basis.
GOALS AND OBJECTIVES:	Increase the accuracy and usefulness of revenue projections.
COORDINATION:	CAO, Finance, OMB, OLO
FISCAL IMPACT:	To be provided
ECONOMIC IMPACT:	To be provided
RACIAL EQUITY AND SOCIAL JUSTICE IMPACT:	To be provided
EVALUATION:	To be provided
EXPERIENCE ELSEWHERE:	Maryland has a similar group to estimate State revenues.
SOURCE OF INFORMATION:	Robert H. Drummer, Senior Legislative Attorney
APPLICATION WITHIN MUNICIPALITIES:	N/A
PENALTIES:	N/A



User Name: Drummer Bob

Date and Time: Tuesday, December 22, 2020 5:29:00 PM EST

Job Number: 132763572

Document (1)

1. [Md. STATE FINANCE AND PROCUREMENT Code Ann. § 6-105](#)

Client/Matter: -None-

Md. STATE FINANCE AND PROCUREMENT Code Ann. § 6-105

Statutes current through legislation effective November 6, 2020

**MD - Annotated Code of Maryland > STATE FINANCE AND PROCUREMENT > DIVISION I.
STATE FINANCE > TITLE 6. REVENUES > SUBTITLE 1. STUDIES AND ESTIMATES**

§ 6-105. Consensus Revenue Monitoring and Forecasting Group.

(a) Definitions. --

(1) In this section the following words have the meanings indicated.

(2) "Group" means the Consensus Revenue Monitoring and Forecasting Group established under this section.

(3)

(i) "State share of nonwithholding income tax revenues" means the State share of income tax quarterly estimated and final payments with returns made by individuals, as defined in [§ 10-101 of the Tax - General Article](#).

(ii) "State share of nonwithholding income tax revenues" does not include:

1. the county share of income tax quarterly estimated and final payments with returns made by individuals;
2. income tax payments made by corporations;
3. income tax refunds paid to individuals or corporations; or
4. income tax withholding.

(b) Group established. -- There is a Consensus Revenue Monitoring and Forecasting Group.

(c) Membership. -- The Group consists of:

- (1) the Chief and staff of the Bureau as designated by the Chief;
- (2) the Deputy Comptroller with responsibility for tax administration and staff as designated by the Deputy Comptroller with responsibility for tax administration;
- (3) staff of the Office of the Treasurer as designated by the Treasurer;
- (4) staff of the Department of Budget and Management as designated by the Secretary of Budget and Management;
- (5) staff of the Department of Transportation as designated by the Secretary of Transportation; and
- (6) staff of the Office of Policy Analysis of the Department of Legislative Services as designated by the Director of the Office.

(d) Chair. -- The Chief shall chair the Group.

(e) Duties of Group. -- The Group and its constituent units shall:

- (1) review and analyze attainment of revenues on a monthly basis;
- (2) advise and collaborate with the Bureau:

Md. STATE FINANCE AND PROCUREMENT Code Ann. § 6-105

- (i) in the development of revenue forecasts and any necessary revisions to those forecasts; and
 - (ii) in the performance of any pertinent studies or analyses as requested by the Chief or as directed by the Board; and
- (3) develop and recommend to the Bureau a methodology for determining the State share of nonwithholding income tax revenues for each fiscal year.
- (f) Duties of Comptroller and Bureau.** -- To assist the Group in performing its function, the Comptroller and the Bureau shall:
- (1) within 7 calendar days after the end of each month, provide to members of the Group detailed data on revenue collections; and
 - (2) before any document relating to the work of the Bureau is published, provide a draft of the document to the members of the Group for review and comment.

History

2007 Sp. Sess., ch. 2, § 8; [2017, chs. 4](#), [550](#).

Annotations

Notes

EFFECT OF AMENDMENTS. --

Chapters 4 and 500, Acts 2017, effective July 1, 2017, are identical. Each redesignated (a) as (a)(1) and (a)(2); added (a)(3) and (e)(3) and added designations accordingly; and made minor stylistic changes.

EDITOR'S NOTE. --

Section 22, ch. 2, Acts 2007 Sp. Sess., provides that the act shall take effect January 1, 2008.

Annotated Code of Maryland

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