

Expedited Bill No. 2-22
Concerning: Montgomery County
Municipal Revenue Program -
Amendments
Revised: January 5, 2022 Draft No. 1
Introduced: January 11, 2022
Enacted: March 1, 2022
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Council President at the request of the County Executive

AN EXPEDITED ACT to:

- (1) alter the calculation of reimbursements to municipalities for eligible costs;
- (2) alter the requirements for municipalities to participate in the municipal revenue program;
- (3) provide for a timeline of when certain reimbursement activities must be accomplished;
- (4) amend reimbursements for the City of Takoma Park police services;
- (5) provide for a phased-in implementation period; and
- (6) generally amend the law related to the Montgomery County Municipal Revenue Program.

By amending

Montgomery County Code
Chapter 30A, Montgomery County Municipal Revenue Program
Sections 30A-1, 30A-2, 30A-3, 30A-4, 30A-5, and 30A-6

Chapter 35, Police
Section 35-5

| | |
|------------------------------|--|
| 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. Sections 30A-1, 30A-2, 30A-3, 30A-4, 30A-5, and 30A-6, and Section**
 2 **35-5 are amended as follows:**

3 **30A-1. Established.**

4 There is hereby established a program to reimburse municipalities within the
 5 [county] County for those public services provided by the municipalities
 6 which would otherwise be provided by the [county] County government.

7 **30A-2. Qualification of municipal public services for county reimbursement.**

8 Municipal public services shall qualify for county reimbursement if the
 9 following conditions are met:

- 10 (1) [The] the municipality provides the service to its residents and
 11 taxpayers[.];
- 12 (2) the service would be provided by the [county] County if it were
 13 not provided by the municipality[.];
- 14 (3) except for police services, the service is not actually provided by
 15 the [county] County within the municipality; [and]
- 16 (4) the comparable [county] County service is funded from tax
 17 revenues derived partially from taxpayers in the participating
 18 municipality; and
- 19 (5) the municipality actually funds the service.

20 **30A-3. Determination of amount of reimbursement.**

21 (a) In general. Subject to the provisions of section 30A-4 and subsections
 22 (b) through (e) of this section, each participating municipality shall be
 23 reimbursed by an amount determined by the [county executive] County
 24 Executive to approximate the amount [of municipal tax revenues
 25 required to fund the eligible services. The amount of reimbursement
 26 shall be limited to the amount the county executive estimates the county
 27 would expend if it were providing the services] the County would incur

28 to provide transportation, police, crossing guards, and park
 29 maintenance services in the municipality.

30 (b) Transportation. For transportation-related expenses, reimbursements
 31 must be equal to the County's average per mile or per item expenditures
 32 for the three most recent fiscal years multiplied by the number of miles
 33 or items in each municipality.

34 (c) Park maintenance. For park maintenance related expenses:

35 (1) reimbursements for fiscal year 2023 must be:

36 (A) for Section 3 of the Village of Chevy Chase: \$4,800;

37 (B) for the Town of Chevy Chase: \$11,453;

38 (C) for the Village of Friendship Heights: \$89,813;

39 (D) for the Town of Kensington: \$46,242; and

40 (E) for the City of Takoma Park: \$93,942; and

41 (2) reimbursements for subsequent fiscal years must be increased
 42 above the amounts specified under paragraph (1) by the annual
 43 percentage change to the Consumer Price Index for the
 44 Washington, D.C. Metropolitan Area, as determined by the United
 45 States Department of Labor, Bureau of Labor Statistics.

46 (d) Police. Subject to Section 35-5, reimbursements for police expenses
 47 must be the greater of an amount equal to:

48 (1) the costs the County would incur to provide police services in the
 49 municipality if the municipality did not provide police services,
 50 as determined by a quadrennial utilization assessment performed
 51 by the County; or

52 (2) the cost to the County of one full-time officer.

53 (e) Crossing guards. For Crossing Guards, reimbursements must be based
 54 on the costs the County would incur to provide crossing guard services

55 in the municipality as determined by a quadrennial utilization
56 assessment performed by the County.

57 **30A-4. Limitations on expenditures.**

58 All expenditures by the [county] County under the authority of this chapter
59 shall be subject to the limits of the funds appropriated by the [county council]
60 County Council.

61 **30A-5. [Application to participate in program] Timeline of annual**
62 **certifications, notifications, and payments.**

63 (a) No later than September 15 of the preceding fiscal year, in accordance
64 with Section 6-305(f) of the Tax-Property Article of the Maryland
65 Code, the County will advise all municipalities within the County of
66 any reasonable supporting documentation required to provide sufficient
67 detail for the County to calculate the reimbursement.

68 (b) Any municipality within the [county] County which desires to
69 participate in the [county] County municipal revenue program [shall]
70 will submit not later than November 15 of [each] the preceding fiscal
71 year to the [county] County [an application which shall be in such form
72 and contain such information as may be required by the county
73 executive] a certification of eligible services and the documentation
74 required under subsection (a).

75 (c) The County will notify each municipality of the reimbursement
76 amounts it will receive in each fiscal year no later than February 15 of
77 the preceding fiscal year.

78 (d) Reimbursement payments to municipalities will be made once per year,
79 no later than October 1 of that fiscal year.

80 (e) The County will provide each municipality participating in the
 81 municipal revenue program with the calculations supporting the
 82 reimbursement payment.

83 **30A-6. County tax rate in certain municipalities.**

84 (a) *Reduced tax rate.* Pursuant to [section] Section 6-305 of the Tax-
 85 Property Article[, Annotated Code of] the Maryland Code, before June
 86 30 the [county council] County Council may set for the coming taxable
 87 year a general [county] County property tax rate on assessments of
 88 properties in any municipality at a rate that is less than the general
 89 [county] County tax rate on assessments of properties in parts of the
 90 [county] County outside of the municipality if the municipality:

- 91 (1) [~~Lies~~] lies partly in Montgomery County and partly in another
 92 county;
- 93 (2) [~~Performs~~] performs fire and rescue services in whole or in part
 94 in lieu of the county performing those services; and
- 95 (3) [~~The~~] the conditions in subsection (d) are met.

96 (b) *Performance of services.* The municipality may perform fire and rescue
 97 services by actually providing the services or by paying for all or part
 98 of the costs and expenses of fire and rescue services.

99 (c) *Amount of tax rate.* The general County property tax rate on
 100 assessments of properties in the municipality must be less than the
 101 general County property tax rate on assessments outside of the
 102 municipality by the amount of the tax rate established for the Fire Tax
 103 District for the same taxable year.

104 (d) *Conditions for reduced rate.* The municipality, on or before June 15,
 105 must present satisfactory written evidence to the County Council
 106 demonstrating that the municipality for the coming taxable year:

- 107 (1) [Has] has levied a general municipal property tax on all
 108 assessments of properties in the municipality equal to the tax rate
 109 proposed to be set for the Fire Tax District for the coming taxable
 110 year; and
- 111 (2) [Will] will collect and remit to Montgomery County the full
 112 amount of taxes imposed on assessments of properties in the
 113 municipality under paragraph (d)(1) in partial payment of the
 114 costs and expenses of providing fire and rescue services in the
 115 municipality.
- 116 (e) *Allocation of funds.* Taxes received from the municipality must be
 117 allocated by the County as follows:
- 118 (1) [Taxes] taxes on assessments of properties in the Montgomery
 119 County section of the municipality will be placed in the General
 120 Fund.
- 121 (2) [Taxes] taxes on assessments of properties in the other county's
 122 section of the municipality will be placed in the Fire Tax District
 123 Fund.

124 **35-5. Takoma Park [Rebate] reimbursement.**

- 125 (a) If the County [and the City of Takoma Park agree that the substation
 126 located in the City is abolished, the County] does not provide police
 127 protection in the City of Takoma Park, and the City provides its own
 128 citywide police protection, [the Director of Finance must, during each
 129 fiscal year that this agreement is in effect, pay to the City treasurer, in
 130 quarterly installments, that portion of the revenue from the County tax
 131 levied on each \$100.00 of assessable:
- 132 (1) personal property in the City which is produced by 12 cents of
 133 the tax rate levied on personal property; and

134 (2) real property in the City which is produced by 4.8 cents of the
135 tax rate levied on real property] reimbursements to the City for
136 police services must be the greater of the amount calculated
137 under Section 30A-3 or \$4,020,521.

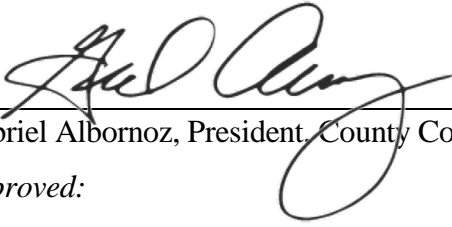
138 (b) If [any agreement referred to in subsection (a) is terminated or
139 modified] the County resumes police services in the City of Takoma
140 Park after a fiscal year begins, the amount paid under [it] subsection (a)
141 must be prorated according to the number of days in that fiscal year that
142 the [agreement has been in effect] County provides the services.

143 (c) Nothing in this Section limits the jurisdiction of the County police in
144 the City of Takoma Park.

145 **Sec. 2. Expedited Effective Date.** The Council declares that this legislation is
146 necessary for the immediate protection of the public interest. This Act takes effect on
147 the date on which it becomes law.

148 **Sec. 3. Transition.** The County Executive may phase in the implementation
149 of Section 1 of this Act over a three-year period after the effective date. In fiscal year
150 2023, subject to Section 30A-4, the County must fund the reimbursements at no less
151 than 80% of the amounts specified under Section 1. In fiscal year 2024, subject to
152 Section 30A-4, the County must fund the reimbursements at no less than 90% of the
153 amounts specified under Section 1. Beginning in fiscal year 2025, the County must
154 fully fund the reimbursements specified under Section 1, subject to Section 30A-4.

Approved:



3/2/2022

Gabriel Albornoz, President, County Council

Date

Approved:

Marc Elrich, County Executive

Date

This is a correct copy of Council action.

Selena Mendy Singleton, Esq., Clerk of the Council

Date