

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: March 14, 2022  
Effective: March 14, 2022  
Sunset Date: None  
Ch. 7, Laws of Mont. Co. 2022

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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

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**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

<b>Boldface</b>	<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:*

  
\_\_\_\_\_  
Gabriel Albornoz, President, County Council 3/2/2022  
Date

*Approved:*

  
\_\_\_\_\_  
Marc Elrich, County Executive 3/14/2022  
Date

*This is a correct copy of Council action.*

  
\_\_\_\_\_  
Selena Mendy Singleton, Esq., Clerk of the Council 3/15/2022  
Date