

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE

House Bill 489  
Ways and Means

(Delegate Schulz, *et al.*)

---

Municipalities - Incorporation Referendums - Special Elections

---

This bill clarifies that a referendum election regarding incorporation of a new municipality may be held as a special election and allows for the special election to be conducted by mail, following specified procedures in State law for special elections utilizing voting by mail.

The bill takes effect July 1, 2014.

---

Fiscal Summary

**State Effect:** None.

**Local Effect:** County and/or municipal expenditures may decrease in the event a municipal incorporation referendum election is held. In one county, it is estimated that an approximate cost of \$3 per voter for such an election may decrease to \$1.50 per voter if the election is held by mail rather than at polling places.

**Small Business Effect:** None.

---

Analysis

**Current Law:** An area containing at least 300 residents may seek to incorporate as a municipality under procedures specified in State law. A petition must be presented to the county commissioners or county council of the county by (1) at least 25% of the registered voters who are residents of the area proposed to be incorporated or (2) at least 20% of the registered voters together with the owners of at least 25% of the assessed valuation of the real property of the area. After a petition is verified, an organizing

committee undertakes a process that includes the submission of a report to the county commissioners or county council on issues related to the proposed incorporation and, subsequently, a proposed municipal charter. If the county commissioners or county council approve of holding a referendum on incorporation, between 40 and 60 days after having received the proposed municipal charter, the county commissioners or county council must specify by resolution the day and hours for a vote on the proposed incorporation by the voters of the area to be incorporated.

Specified procedures apply to the referendum election, including that it must be conducted generally according to the procedures and practices for regular countywide elections. The county board of elections is responsible for arranging for and conducting the referendum election. An election of officers for a proposed municipality is conducted at the same time and place as the referendum and is subject to the same procedures and practices. The county commissioners or county council must pay for the election, but if the referendum results in incorporation, the municipality must repay the expenses to the county within one year after the incorporation takes effect.

Pursuant to Chapters 197 and 198 of 2013, procedures are established in State law for voting by mail to be used in a special election to fill a U.S. House of Representatives vacancy and specified county special elections. Generally, a vote-by-mail ballot is mailed to each registered voter eligible to vote in the special election at least 14 days before the special election and ballots must either be returned in person by 8 p.m. on the day of the special election or mailed on or before election day and received by the second Friday after the special election. At least one in-person voting center must also be established at a local board of elections office or another location within the constituency where the special election is being held. The voting center must be open for voting each day beginning six days before the day of a special election through the day of the special election.

**Background:** The most recent municipal incorporations occurred in 1996 (North Chevy Chase), 1993 (Chevy Chase View), 1985 (Martin's Additions), and 1982 (Chevy Chase, Section 3 and Chevy Chase, Section 5), all in Montgomery County.

**Local Fiscal Effect:** County and/or municipal expenditures may decrease, in the event a referendum election for incorporation of a new municipality is held, due to the option to conduct a special election primarily by mail. The magnitude of any decrease will depend in part on the size of the area (and the number of residents within it) seeking to incorporate. Frederick County estimates that an approximate cost of \$3 per voter to conduct a municipal incorporation election may decrease to \$1.50 per voter if conducted by mail. Printing, postage, and personnel costs will be incurred for an election conducted primarily by mail, but costs of hiring election judges, any polling place rental costs, and costs associated with using voting equipment at polling places will be avoided or

reduced. If the referendum results in incorporation, the new municipality is responsible for the cost of the election and would realize any savings resulting from holding the election by mail.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Board of Elections; Office of the Attorney General; Frederick, Kent, Washington, and Worcester counties; Baltimore City; Maryland Association of Counties; towns of Bel Air and Leonardtown; Maryland Municipal League; Department of Legislative Services

**Fiscal Note History:** First Reader - February 11, 2014  
mc/hlb

---

Analysis by: Scott D. Kennedy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510