

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 397 (Senator Young, *et al.*)
Education, Health, and Environmental Affairs

Political Subdivisions - Legal Notice Requirements - Posting on Web Sites

This bill authorizes a county or municipality to satisfy a statutory requirement to publish specified legal notices in a newspaper of general circulation by posting the notices on the jurisdiction's website.

The bill takes effect October 1, 2016.

Fiscal Summary

State Effect: None.

Local Effect: Local expenditures may decrease, beginning in FY 2017, to the extent legal notices are posted on county and municipal websites; however, expenditures may increase depending on participation in the required free mail subscription service. According to several jurisdictions, the requirement to provide a free mail subscription service may mitigate any savings generated by posting notices on the Internet. Local revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: With one exception, a county or municipality may use the Internet-posting option authorized by the bill for any action, including (1) an annexation; (2) a charter amendment; (3) the repeal of a municipal charter; (4) the creation or amendment of a comprehensive plan; (5) the creation or amendment of a zoning regulation; or (6) the designation of a historic site, structure, or district. A county or municipality is prohibited from using the Internet-posting option to satisfy a requirement to provide notice of a constant yield tax rate hearing.

Legal notices posted on a county or municipal website must be displayed conspicuously and be easily accessible to the general public.

If a county or municipality chooses to post notices on the Internet, the county or municipality must (1) publish a notice in a newspaper of general circulation at least one month before the first Internet posting to inform the public of its intent to post legal notices on its website and specify which types of legal notices will be posted and (2) annually publish a notice in a newspaper of general circulation to inform the public of the types of legal notices that are available on the website, the address of the county's or municipality's website where the legal notices are posted, and information for subscribing to a mail subscription service. A county or municipality that publishes legal notices on its website must offer a free mail subscription service to provide paper copies of the legal notices to residents and a newspaper of general circulation that regularly covers the news and events of the county or municipality.

A county or municipality that publishes legal notices on its website must maintain paper copies of the notices under a records retention and document disposal schedule and make copies available to the public in accordance with the Maryland Public Information Act.

Current Law: Generally, counties and municipalities are required to post a legal notice in a newspaper of general circulation in the jurisdiction to notify the public of a public hearing on a variety of issues, including (1) an annexation; (2) a charter amendment; (3) the repeal of a municipal charter; (4) a constant yield tax rate hearing; (5) the creation or an amendment of a comprehensive plan; (6) the creation or an amendment of a zoning regulation; and (7) tax sale auctions.

Local Fiscal Effect: Local government expenditures may decrease, beginning in fiscal 2017, to the extent that posting legal notices on a website is more cost effective than newspaper advertising of legal notices. The amount of any decrease depends on the number of legal notices posted in the newspaper and the cost of each. Expenditures may also increase depending on participation in the free mail subscription service required by the bill.

Exhibit 1 shows estimated publication costs for fiscal 2010 as reported by a survey of counties conducted by the Maryland Association of Counties. Reporting counties spent approximately \$1.9 million on legal publication costs. The savings resulting from the bill will depend on what notices a local government may or may not choose to publish on their websites. Several counties, including Baltimore, Charles, and Montgomery report that the requirement to provide a free mail subscription service may mitigate any savings generated by posting notices on the Internet, and depending on the number of residents using the subscription service may actually increase county expenditures significantly.

Exhibit 1
County Publication Costs for Legal Notices
Fiscal 2010

County	Publication Expenses
Allegany	\$10,437
Anne Arundel	428,895
Baltimore City	570,525
Baltimore	n/a
Calvert	n/a
Caroline	n/a
Carroll	41,000
Cecil	n/a
Charles	60,667
Dorchester	21,916
Frederick	90,316
Garrett	20,747
Harford	67,093
Howard	75,534
Kent	n/a
Montgomery	213,894
Prince George's	51,684
Queen Anne's	n/a
St. Mary's	n/a
Somerset	n/a
Talbot	79,134
Washington	26,784
Wicomico	107,488
Worcester	22,588
Total	\$1,888,702

Source: Maryland Association of Counties

Exhibit 2 shows cumulative publication costs (fiscal 2008 through 2010) for 11 municipalities as reported by the Maryland Municipal League. Reporting jurisdictions spent approximately \$243,700 on legal publication costs. The savings resulting from the bill will depend on what notices a municipality may or may not choose to publish on their websites. The City of Frederick estimates that the bill may result in an overall savings of approximately \$13,000 annually, while the City of Havre de Grace reports that expenditures may increase by approximately \$300 annually.

Exhibit 2
Municipal Legal Publication Costs
Fiscal 2008-2010

<u>Municipality</u>	<u>Publication Expenses</u>
Annapolis	\$40,000
Berwyn Heights	1,783
Charlestown	7,665
Easton	40,871
Greenbelt	72,000
Indian Head	10,500
Kensington	4,000
Laurel	5,613
Poolesville	9,792
Rockville	41,000
Taneytown	10,470
Total	\$243,694

Source: Maryland Municipal League

Additional Information

Prior Introductions: SB 523 of 2013 received a hearing in the Senate Education, Health, and Environmental Affairs Committee but was withdrawn. Its cross file, HB 1136 of 2013, received a hearing and was referred to interim study by the House Environmental Matters Committee. SB 599 of 2012 received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken. Its cross file, HB 1355 of 2012, received an unfavorable report from the House Environmental Matters Committee. SB 545 and HB 909 of 2011 received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee and the House Environmental Matters Committee, respectively. HB 555 of 2010 received an unfavorable report by the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Baltimore, Charles, Frederick, and Montgomery counties; City of Frederick; City of Havre de Grace; Maryland Association of Counties; Maryland Municipal League; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2014
mc/hlb

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