# **Department of Legislative Services**

Maryland General Assembly 2024 Session

### FISCAL AND POLICY NOTE First Reader

House Bill 81 (Delegate Bouchat)

**Environment and Transportation** 

#### Constitutional Amendment - Form of County Government - Requirement to Adopt Charter Home Rule

This constitutional amendment requires each county and Baltimore City to adopt a charter home rule form of county government by December 31, 2030.

#### **Fiscal Summary**

**State Effect:** The constitutional amendment is not expected to materially affect State finances.

**Local Effect:** If the constitutional amendment is approved by voters, local expenditures may increase significantly for counties transitioning to the charter home rule form of government. Local revenues are not affected. **This constitutional amendment imposes a mandate on a unit of local government.** 

**Small Business Effect:** None.

## **Analysis**

**Bill Summary:** The constitutional amendment requires all counties and Baltimore City to operate under the charter home rule form of government, thus, repealing code home rule and commission forms of county government. By December 31, 2030, each county and Baltimore City must adopt a charter and operate under this charter after this date. An adopted charter must provide for the election of both a county executive and county council. On or after January 1, 2025, a county adopting a new charter must use the procedures set forth in the constitutional amendment.

By January 1, 2027, the board of county commissioners for any county not operating under a charter home rule form of government as of this date must appoint a charter board. The charter board must consist of an uneven number of members, not fewer than five or more than nine. Each member of the charter board must be a registered voter of the county. Within 18 months from the date of appointment of its members, the charter board must present a proposed charter for the county to the board of county commissioners, which must publish it at least twice in one or more newspapers of general circulation in the county within 30 days after it is presented.

The board of county commissioners must vote on the adoption of the charter within 90 days after the proposed charter is published. If a majority of the votes cast by the board of county commissioners are in favor of its adoption, the charter will become effective on the thirtieth day following the vote. However, if a majority of the votes opposes the adoption of the charter, the board of county commissioners must remand the proposed charter and include an explanation of the reasons for its rejection to the charter board for revision and resubmittal.

Within 90 days after the proposed charter was remanded back to the charter board, the charter board must revise and present the revised charter to the board of county commissioners, which must publish it at least twice in one or more newspapers of general circulation in the county within 30 days after it is presented.

A county or Baltimore City must use the procedures set forth in Article XI-A, § 5 of the Maryland Constitution to amend any charter adopted under the Article.

A county adopting a charter prior to January 1, 2025, may use procedures provided in Article XI-A, § 1A of the Maryland Constitution in lieu of the procedures provided in the constitutional amendment.

Current Law: Maryland counties operate under three forms of government: commission, charter home rule, and code home rule. To date, only 6 counties continue to operate under the commission, or nonhome rule, form of government, while 11 counties operate under charter home rule and 6 counties operate under code home rule. Each of the 11 counties that ratified the charter home rule form of government are governed by county councils; and all but Dorchester and Talbot counties have county executives. Exhibit 1 shows the form of government for each Maryland county.

# **Exhibit 1 Form of County Government**

<u>Charter</u>	<b>Commission</b>	<u>Code</u>
Anne Arundel	Calvert	Allegany
Baltimore	Carroll	Caroline
Cecil	Garrett	Charles
Dorchester	St. Mary's	Kent
Frederick	Somerset	Queen Anne's
Harford	Washington	Worcester
Howard		
Montgomery		
Prince George's		
Talbot		

Source: Department of Legislative Services

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The 12 counties operating under commission and code home rule forms of government elect county commissioners. State law requires the number of county commissioners in a county to be set by the public local laws of each county. The public local laws of each county also determine whether commissioners are elected by voters from within a district or by voters of the entire county.

In three counties (Carroll, Somerset, and Worcester), commissioners run by district and are elected by the voters residing in that district. In one county (Charles), four commissioners run by district and are elected by the voters residing in that district, and one at-large commissioner serves as the president of the county commissioners. In four counties (Allegany, Caroline, Kent, and Washington), commissioners run countywide, not by district. In one county (Garrett), commissioners run by district and are elected by the voters at large.

In three counties (Calvert, Queen Anne's, and St. Mary's), a hybrid board structure is utilized wherein a specified number of county commissioners represent a district, the remaining run countywide, and all of the commissioners are elected by the voters at large. In St. Mary's County, the at-large commissioner serves as the president of the county commissioners.

**Local Expenditures:** If the proposed constitutional amendment is approved by the voters, local government expenditures may increase significantly for the affected counties. HB 81/ Page 3

Carroll, Charles, and Worcester counties advise that this amendment, if approved, will have a material impact on their expenditures due to the constitutional amendment's requirement for each county to transition to the charter home rule form of government. Additional expenditures cited by these counties include office space renovations, additional salaries, and other costs associated with the transition.

Charles County further advises that although a significant fiscal impact is anticipated, it is difficult to accurately estimate at this time. Worcester County indicates that the additional cost for salaries and other operating expenses could total approximately \$750,000 annually. Local government expenditures may also increase due to costs associated with an election.

Eleven counties currently operate under the charter home rule form of government. Most recently, Frederick County transitioned from the county commissioner form of government to the charter home rule form of government on December 1, 2014. Based on the county's fiscal 2015 adopted budget, the estimated additional cost for Frederick County to transition to the charter home rule form of government totaled approximately \$175,000 in the first year of transition. By the second year (fiscal 2016), county expenditures for the county executive and county council were approximately \$725,000 higher than the cost for the board of county commissioners and county manager in fiscal 2014.

The Maryland Association of Counties advises that the proposed constitutional amendment could pose significant cost burdens on county governments that currently do not have the government structure proposed by the constitutional amendment.

#### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Carroll, Charles, Kent, Queen Anne's, and Worcester counties; Maryland Association of Counties; Maryland State Board of Elections; Department of Legislative Services

**Fiscal Note History:** First Reader - February 5, 2024

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