

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 518 (Senator Dorman)
Economic & Environmental Affairs Referred to Commerce & Government Matters

Municipal Corporations - Annexation Process

This amended bill permits a municipal corporation to initiate by resolution the annexation of certain property without the consent of resident voters and property owners under certain circumstances. Consent is not required if on or before January 1, 1996 the property to be annexed meets specified criteria under existing law for annexation. First, the property is bounded on all sides by real property presently within the municipal corporation's limits. Second, the size of the area does not exceed 1.5% of the present area of the municipal corporation. Third, the number of residents in the area does not exceed 3% of the population of the municipal corporation. Annexation under these provisions may be exercised until January 1, 1997.

Fiscal Summary

State Effect: None.

Local Effect: Municipal corporation revenues and expenditures could increase by an indeterminate minimal amount due to an increase in the number of annexations.

Fiscal Analysis

Local Effect: The Maryland Municipal League advises that between 10 and 12 municipal corporations could be affected by the bill. Since the legislative bodies of municipal corporations would not need the consent of the resident voters and property owners to annex certain properties, the number of annexations could increase. Accordingly, municipal corporation revenues and expenditures could increase due to the collection of

additional taxes and the providing of more services for those annexed areas. At this time, the actual number of annexations and their impact on municipal corporation finances cannot be determined. Any revenue and expenditure increase is assumed to be minimal.

Information Source(s): Town of Brentwood, City of Frostburg, Maryland Municipal League, Department of Fiscal Services

Fiscal Note History: First Reader - February 26, 1996

ncs Revised - Senate Third Reader - March 21, 1996

Analysis by: Thomas Himler

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710