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By: **Delegate Rosenberg**

Introduced and read first time: February 13, 1998

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Disparity Grant Program - Implementation of Competitive Re-Engineering**  
3                                   **Pilot Project**

4 FOR the purpose of modifying the State's disparity grant program to require certain  
5 political subdivisions to adopt a competitive re-engineering program under  
6 specified conditions; specifying goals of the program; providing that certain  
7 employees have a right to develop a certain plan and to compete to provide  
8 certain services; requiring submission of certain information to the State  
9 Comptroller's Office; requiring the Legislative Auditor to take certain actions  
10 relating to program compliance; requiring the Comptroller to withhold certain  
11 funding under specified conditions; providing for the termination of this Act; and  
12 generally relating to competitive re-engineering programs in jurisdictions  
13 receiving certain funding levels under the disparity grant program.

14 BY repealing and reenacting, without amendments,  
15 Article 24 - Political Subdivisions - Miscellaneous Provisions  
16 Section 1-101(b)  
17 Annotated Code of Maryland  
18 (1996 Replacement Volume and 1997 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article 24 - Political Subdivisions - Miscellaneous Provisions  
21 Section 9-1101  
22 Annotated Code of Maryland  
23 (1996 Replacement Volume and 1997 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
25 MARYLAND, That the Laws of Maryland read as follows:

26                                   **Article 24 - Political Subdivisions - Miscellaneous Provisions**

27 1-101.

28 (b) "County" means a county of the State and Baltimore City.

1 9-1101.

2 (a) (1) [For] SUBJECT TO SUBSECTION (D) OF THIS SECTION, FOR each  
3 fiscal year, the Comptroller shall distribute to a county the amount determined for  
4 each county under this section.

5 (2) The amount a county shall receive under this section in any fiscal  
6 year shall be based on the county income tax collected from individuals for the  
7 taxable year that ended in the second prior fiscal year, from returns filed through  
8 August 15 immediately preceding the applicable fiscal year, as determined by the  
9 Comptroller.

10 (b) (1) For each fiscal year, the Comptroller shall determine as rounded to  
11 the nearest cent:

12 (i) The per capita yield of the county income tax for each county,  
13 based on:

14 1. Unless a county income tax rate of other than 50% was in  
15 effect, the receipts described in subsection (a) (2) of this section;

16 2. The population of the county as last projected by the  
17 Department of Health and Mental Hygiene for July 1 of the applicable taxable year or  
18 the latest decennial census for the applicable taxable year; and

19 3. If the county income tax rate is other than 50% in the  
20 applicable taxable year, the receipts described in subsection (a)(2) of this section that  
21 would have been received if a county income tax rate of 50% had been in effect; and

22 (ii) The per capita statewide yield of the county income tax, based  
23 on:

24 1. The total receipts for county income tax described in  
25 subsection (a)(2) of this section for counties with an income tax rate of 50% in effect;

26 2. The State population as last projected by the Department  
27 of Health and Mental Hygiene for July 1 of the applicable taxable year or the latest  
28 decennial census for the applicable taxable year; and

29 3. For counties with an income tax rate of other than 50% in  
30 effect, the total receipts for county income tax described in subsection (a)(2) of this  
31 section that would have been received if a county income tax rate of 50% had been in  
32 effect.

33 (2) If the per capita yield of the county income tax for a county  
34 determined under paragraph (1)(i) of this subsection is less than 75% of the per capita  
35 statewide yield of the county income tax determined under paragraph (1)(ii) of this  
36 subsection, the Comptroller shall determine the amount that would increase the  
37 county per capita yield to equal 75% of the statewide per capita yield, as rounded to  
38 the nearest dollar.

1 (3) A county may not receive a distribution under this subsection if the  
2 county tax rate in that county was less than 50%:

3 (i) For the taxable year that ended in the second prior fiscal year;  
4 or

5 (ii) For any subsequent taxable year through the taxable year that  
6 ends in the current fiscal year.

7 (c) The Comptroller shall make payments of the additional amounts provided  
8 under this section quarterly during the fiscal year for which the payment is made.

9 (D) (1) THIS SECTION ONLY APPLIES TO A COUNTY THAT RECEIVES UNDER  
10 THIS SECTION MORE THAN \$10,000,000 IN ANY FISCAL YEAR.

11 (2) TO RECEIVE THE FULL ALLOCATION UNDER THIS SECTION, A  
12 COUNTY SHALL ADOPT BY LOCAL LAW A COMPETITIVE RE-ENGINEERING PROGRAM  
13 MODELED AFTER THE PROGRAM ESTABLISHED UNDER TITLE 18, SUBTITLE 1 OF THE  
14 STATE FINANCE AND PROCUREMENT ARTICLE AND GUIDELINES ESTABLISHED BY  
15 THE COUNCIL ON MANAGEMENT AND PRODUCTIVITY. THE PROGRAM SHALL BE  
16 FULLY IMPLEMENTED BEFORE THE START OF THE NEXT FISCAL YEAR AFTER THE  
17 COUNTY BECOMES SUBJECT TO THIS SUBSECTION.

18 (3) THE GOAL OF THE COMPETITIVE RE-ENGINEERING PROGRAM IS TO  
19 IDENTIFY LOCAL GOVERNMENTAL SERVICES:

20 (I) FOR WHICH:

21 1. OBJECTIVE PERFORMANCE MEASUREMENTS CAN BE  
22 ESTABLISHED;

23 2. THE SERVICE IS OR COULD BE PROVIDED BY THE PRIVATE  
24 SECTOR;

25 3. COSTS OR INCREASES IN COSTS FOR THE SERVICE COULD  
26 BE REDUCED; AND

27 4. COMPETITION FOR THE SERVICE IS IN THE BEST  
28 INTEREST OF THE COUNTY; AND

29 (II) WHICH, THROUGH COMPETITIVE RE-ENGINEERING AND  
30 SERVICE REDESIGN, THE SERVICES CAN BE IMPROVED IN TERMS OF  
31 EFFECTIVENESS, EFFICIENCY, AND QUALITY.

32 (4) A COUNTY SHALL IDENTIFY THOSE SERVICES SATISFYING THE  
33 CRITERIA OF PARAGRAPH (3) OF THIS SUBSECTION ON OR BEFORE DECEMBER 31 OF  
34 THE YEAR THE COUNTY FIRST BECOMES SUBJECT TO THE PROVISIONS OF THIS  
35 SUBSECTION AND SHALL UPDATE ITS REVIEW OF SERVICES ON OR BEFORE  
36 DECEMBER 31 OF EACH SUBSEQUENT YEAR.

1 (5) UNDER THE COMPETITIVE RE-ENGINEERING PROGRAM, COUNTY  
2 EMPLOYEES SHALL BE GIVEN AN OPPORTUNITY TO DEVELOP A SERVICE REDESIGN  
3 PLAN TO IMPROVE DELIVERY OF A TARGETED SERVICE AND REDUCE THE COST OR  
4 ANTICIPATED COST INCREASES WHILE MAINTAINING THE QUALITY OF SERVICE  
5 PROVIDED.

6 (6) IF WITHIN 6 MONTHS OF THE COUNTY'S IDENTIFICATION OF A  
7 TARGETED SERVICE, THE DESIGNATED GROUP OF COUNTY EMPLOYEES FAILS TO  
8 PROPOSE A SERVICE REDESIGN PLAN, OR IF THE PLAN IS REJECTED BY THE HEAD OF  
9 THE AFFECTED UNIT OF COUNTY GOVERNMENT, THE COUNTY PROMPTLY SHALL  
10 ISSUE A REQUEST FOR PROPOSALS FOR THE SERVICE AND THE AFFECTED  
11 EMPLOYEES MAY SUBMIT A PROPOSAL AND COMPETE WITH THE PRIVATE SECTOR  
12 FOR THE RIGHT TO PROVIDE THE SERVICE.

13 (7) THE COUNTY GOVERNMENT SHALL SUBMIT TO THE COMPTROLLER'S  
14 OFFICE:

15 (I) PRIOR TO THE DATE THAT THE LAW TAKES EFFECT, A COPY OF  
16 A LOCAL LAW ADOPTED UNDER THIS SUBSECTION; AND

17 (II) ON OR BEFORE EACH JANUARY 31 THEREAFTER:

18 1. A LIST OF TARGETED SERVICES SUBJECT TO THE  
19 COUNTY'S COMPETITIVE RE-ENGINEERING PROGRAM; AND

20 2. A DESCRIPTION OF REDESIGN PLANS AND REQUESTS FOR  
21 PROPOSALS PERTAINING TO TARGETED SERVICES.

22 (8) THE LEGISLATIVE AUDITOR SHALL MONITOR COMPLIANCE WITH  
23 THE REQUIREMENTS OF THIS SUBSECTION AND SHALL NOTIFY THE COMPTROLLER  
24 IF THE LEGISLATIVE AUDITOR, AFTER CONSULTATION WITH COUNTY OFFICIALS,  
25 FINDS THAT THE COUNTY EITHER:

26 (I) FAILS TO COMPLY WITH THE REQUIREMENTS OF THIS  
27 SUBSECTION; OR

28 (II) IS UNWILLING TO TAKE CORRECTIVE ACTION TO ASSURE  
29 REQUIRED COMPLIANCE.

30 (9) IF THE COMPTROLLER IS NOTIFIED OF NONCOMPLIANCE UNDER  
31 PARAGRAPH (8) OF THIS SUBSECTION OR IF THE COMPTROLLER OTHERWISE FINDS  
32 THAT A COUNTY SUBJECT TO THIS SUBSECTION FAILS TO COMPLY WITH THE  
33 REQUIREMENTS OF THIS SUBSECTION, THE COMPTROLLER SHALL WITHHOLD 10%  
34 OF THE AMOUNT OF GRANT THAT WOULD OTHERWISE BE AVAILABLE TO THE  
35 COUNTY UNDER THIS SECTION EACH FISCAL YEAR IN WHICH THE COUNTY IS NOT IN  
36 COMPLIANCE.

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
38 October 1, 1998. It shall remain effective for a period of 3 years and, at the end of

- 1 September 30, 2001, with no further action required by the General Assembly, this
- 2 Act shall be abrogated and of no further force and effect.