

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

House Bill 945 (Montgomery County Delegation)  
Health and Government Operations Education, Health, and Environmental  
Affairs

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Montgomery County - Oakmont Special Taxing Area - Competitive Bidding  
MC 820-08

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This bill increases, from \$2,000 to \$10,000, the amount that the Oakmont Citizens' Committee may expend for material or work without having first advertised the specifications and inviting bids. Additionally, the citizens' committee may, by unanimous vote, enter into a contract exceeding \$10,000 without seeking competitive bids if the contract is necessary to meet an urgent need.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Increasing the authority of the Oakmont Citizens' Committee to award contracts without competitive bidding would provide the benefit of increased operational flexibility; however, this may result in contracts being awarded at a higher cost. Since the committee's expenditures totaled only \$50,000 in FY 2007, any potential increase in the cost of contracts is assumed to be minimal.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** The Oakmont Citizens' Committee may not expend over \$2,000 for material or work without first advertising the specifications and inviting bids. No member of the citizens' committee may furnish any supplies of any kind or contract in any manner with the citizens' committee.

**Background:** The Oakmont Special Taxing District was created by Chapter 190 of 1918. Oakmont is located in Montgomery County and covers 18.5 acres of residential property. Approximately 145 people reside in the 57 homes located in Oakmont. Oakmont provides for the maintenance of streets and sidewalks, street lighting, snow removal, leaf collection, storm drainage, and the maintenance of a small park. Governmental expenditures in fiscal 2007 totaled \$50,000 as shown in **Exhibit 1**.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Montgomery County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 6, 2008  
mll/hlb

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**Exhibit 1**  
**Oakmont Special Taxing District**  
**Governmental Funds**

<u>Expenditures</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Percent Change</u>	
				<u>2005-2006</u>	<u>2006-2007</u>
Salaries – Commissioners	\$3,200	\$3,600	\$3,600	12.5%	0.0%
Operating Expenses	2,884	2,511	3,714	-12.9%	47.9%
Bank Charges (finance)	315	1,650	65	423.8%	-96.1%
Annual Audit	2,250	2,000	2,000	-11.1%	0.0%
Legal Fees	680	2,787	1,031	309.9%	-63.0%
Streets, Sidewalks and Trees	2,982	1,955	3,410	-34.4%	74.4%
Street Lighting	1,531	1,645	2,805	7.4%	70.5%
Storm Drain Project	131,429	3,588	0	-97.3%	-100.0%
Snow Removal	1,685	3,912	1,212	132.2%	-69.0%
Leaf Collection	2,197	2,349	2,376	6.9%	1.1%
Waste Collection	16,350	0	17,708	n/a	n/a
Daley Lane	50	22,046	8,171	n/a	-62.9%
Community Promotions	1,564	4,427	3,080	183.1%	-30.4%
Interest	4,239	438	0	-89.7%	n/a
<b>Total</b>	<b>\$171,356</b>	<b>\$52,908</b>	<b>\$49,172</b>	<b>-69.1%</b>	<b>-7.1%</b>