

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 220

(Delegate Carr, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Municipal Corporations - Annexations - Small Parcels

This bill specifies that proposed municipal annexations of parcels of land that are five acres or less are not subject to the requirements that consent be obtained from a specified percentage of residents and property owners in the area to be annexed and the proposed annexation be subject to a referendum. A municipal corporation, however, may not annex a total of more than 25 acres under the bill's provisions. The bill does not apply to annexations of land zoned for agricultural use.

The bill terminates September 30, 2011.

Fiscal Summary

State Effect: None.

Local Effect: The bill is not expected to significantly impact local government finances.

Small Business Effect: Minimal.

Analysis

Current Law: The legislative body of a municipal corporation may enlarge its corporate boundaries by annexation of specified land contiguous to and adjoining the municipality's existing corporate area. Annexations may be initiated by the legislative body of the municipality or by petition, in both cases requiring the consent (or signatures in the case of a petition) of at least 25% of the persons that reside in the area to be annexed and are specified registered voters; and owners of at least 25% of the assessed value of the real property in the area to be annexed.

If the requisite consent (or signatures) is obtained, a resolution is introduced to the legislative body and a public hearing is held. After the public hearing, if the legislative body enacts the resolution, it may become effective after 45 days from the date of enactment unless the resolution is petitioned for referendum by the residents of the area to be annexed, the residents of the municipality, or the governing body of the county or counties in which the municipality is located. In a referendum election, the proposed annexation is voted on by eligible voters of the area proposed to be annexed, the municipality, or both, depending on who petitioned for the referendum.

When there are fewer than 20 persons living in any area proposed to be annexed that are eligible to sign a petition or participate in a referendum election, any person (including an association, joint owners of property, a firm, or corporation) owning real property in the area has a right equal to that of a natural person to sign a petition or participate in a referendum election.

Specified annexation plans must be adopted in addition to, but separate from, the annexation resolution. The plans generally contain information relating to the public facilities needed for the proposed use and the extension of municipal services to the area to be annexed. For annexations that begin on or after October 1, 2009, the plan generally must be consistent with the municipal growth element of the municipality's comprehensive plan.

Background: There are 156 municipalities in Maryland with home rule powers under Article XI-E of the Maryland Constitution. Based on 2007 population estimates, approximately 15% of Maryland's population resides within municipalities (excluding Baltimore City). Municipalities in Maryland are relatively small, with 60% having fewer than 2,500 residents and only 5% having more than 25,000 residents. On the Eastern Shore and in Western Maryland, nine counties have over 30% of their residents living in municipalities. **Exhibit 1** shows the number of municipal residents in each county.

A December 2005 Maryland Department of Planning report indicated that, from 1997 through 2005, the acreage of municipalities in Maryland had grown by an estimated 11%, or 27,453 acres, as a result of annexation, with the greatest percentage increases occurring in Western Maryland and on the Eastern Shore.

State law relating to municipal annexation was most recently amended by Chapter 381 of 2006 which, among other things, required municipalities that exercise zoning authority to include a municipal growth element in their comprehensive plans and required, for annexations that begin on or after October 1, 2009, the development of a municipal annexation plan that is consistent with the municipal growth element. The municipal growth element is required to include consideration of, among other things, anticipated future municipal growth areas outside the corporate limits of the municipality and public services and infrastructure needed to accommodate expected growth.

Exhibit 1
Residents Residing in Municipalities
July 2007

County	County Population	Municipal Population	% of County Population
Allegany	72,594	32,560	44.9%
Anne Arundel	512,154	36,713	7.2%
Baltimore City	637,455	0	0.0%
Baltimore	788,994	1	0.0%
Calvert	88,223	5,263	6.0%
Caroline	32,910	11,253	34.2%
Carroll	169,220	43,290	25.6%
Cecil	99,695	26,358	26.4%
Charles	140,444	12,582	9.0%
Dorchester	31,846	15,120	47.5%
Frederick	224,705	89,182	39.7%
Garrett	29,627	6,486	21.9%
Harford	239,993	36,726	15.3%
Howard	273,669	0	0.0%
Kent	19,987	7,537	37.7%
Montgomery	930,813	153,353	16.5%
Prince George's	828,770	221,912	26.8%
Queen Anne's	46,571	5,307	11.4%
St. Mary's	100,378	2,218	2.2%
Somerset	26,016	5,710	21.9%
Talbot	36,193	17,426	48.1%
Washington	145,113	52,855	36.4%
Wicomico	93,600	39,540	42.2%
Worcester	49,374	17,297	35.0%
Statewide	5,618,344	838,689	14.9%

Source: Maryland Department of Planning, Department of Legislative Services

Local Fiscal Effect: In the event the exemption under the bill for small parcel annexations from the consent and referendum requirements allows for an annexation that would otherwise not occur, the bill may affect county and or municipal revenues and expenditures. However, given the size of the parcels of land (five acres or less) eligible for the exemption, the bill is not expected to significantly impact local government

finances overall. To the extent a small parcel annexation would otherwise be petitioned to referendum, if not for the bill, the municipality will forego any costs of a referendum.

Additional Information

Prior Introductions: HB 857 of 2008 passed the House and received a favorable report from the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken.

Cross File: SB 350 (Senators Pinsky and Harrington) - Education, Health, and Environmental Affairs.

Information Source(s): Anne Arundel, Charles, Frederick, Montgomery, and Somerset counties; towns of Bel Air and Leonardtown; City of Salisbury; Maryland Department of Planning; Maryland Municipal League; Department of Legislative Services

Fiscal Note History: First Reader - February 11, 2009
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