

SENATE BILL 802

L2

2lr3126
CF 2lr1154

By: **Senators Brinkley and Young**

Introduced and read first time: February 3, 2012

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County – Budgetary Processes**

3 FOR the purpose of renaming certain balances in the general fund of Frederick
4 County; requiring that if a certain committed general fund balance is
5 appropriated and expended by the County Commissioners of Frederick County,
6 the County Commissioners shall replenish the committed general fund balance
7 by the end of a certain fiscal year; and generally relating to the budgetary
8 processes of Frederick County.

9 BY repealing and reenacting, with amendments,
10 The Public Local Laws of Frederick County
11 Section 2–7–1, 2–7–4(a), and 2–7–11
12 Article 11 – Public Local Laws of Maryland
13 (2004 Edition and July 2011 Supplement, as amended)

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

16 **Article 11 – Frederick County**

17 2–7–1.

18 (a) (1) On or before June 1 and in accordance with law, the county
19 commissioners shall levy upon all of the taxable property of the county and upon all
20 property subject to taxation in it the aggregate amount of the estimates, less any
21 revenue certain to be paid the county during the ensuing fiscal year from sources other
22 than the levy and property to be appropriated toward the estimates and less any
23 actual or estimated [undesigned] **UNASSIGNED** general fund balance available for
24 appropriation, as otherwise provided in this Code.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) To protect the financial integrity of county government and to
2 provide sufficient liquidity required for daily operations, the county commissioners
3 shall maintain [an unappropriated undesignated] A **COMMITTED** general fund
4 balance. The amount shall be 5 percent of the general fund expenditures and transfers
5 to the board of education and the Frederick Community College for the prior fiscal
6 year. Any amount that exceeds 5 percent of the general fund expenditures and
7 transfers to the Board of Education and the Frederick Community College for the prior
8 fiscal year shall be included as funds available for appropriation in the current fiscal
9 year.

10 (b) In addition thereto, the county commissioners may levy not more than
11 five hundred thousand dollars (\$500,000.00) which shall be added to the total of
12 estimates and included in their levy. No other sums of money shall be levied. Taxes
13 levied shall become due and payable and shall be collected in the manner and at the
14 times fixed by law. The additional five hundred thousand dollars (\$500,000.00) or so
15 much of this sum as may be levied shall be a contingency fund and shall be dedicated
16 and appropriated to meet any unexpected demand which may arise after tax levy has
17 been made.

18 2-7-4.

19 (a) It is expected that the contingency fund established under § 2-7-1(b) of
20 this article will seldom be needed or used, but is provided as a safeguard or protection
21 in event a contingency should arise. It shall be dedicated and appropriated to meet any
22 unexpected demand which arises after the tax levy has been made, the occurrence of
23 which could not reasonably have been foreseen. The unexpended balance should be a
24 part of the [undesignated] **UNASSIGNED** fund balance.

25 2-7-11.

26 (a) Subject to subsection (b) of this section, the board of county
27 commissioners may increase appropriations and expend the increased appropriations.

28 (b) Prior to increasing appropriations and expending the increased
29 appropriations, the board of county commissioners shall:

30 (1) Establish, by ordinance, criteria for increasing appropriations and
31 expending the increased appropriations; and

32 (2) Require the increase in appropriations to be derived from:

33 (i) The [unappropriated undesignated] **COMMITTED** general
34 fund balance required under § 2-7-1(a)(2) of this article; or

35 (ii) The bond rating enhancement reserve established under §
36 2-7-10 of this article.

1 **(C) IF THE COMMITTED GENERAL FUND BALANCE REQUIRED BY §**
2 **2-7-1(A)(2) IS APPROPRIATED AND EXPENDED BY THE COUNTY**
3 **COMMISSIONERS, THE COMMITTED FUND BALANCE SHALL BE REPLENISHED BY**
4 **THE END OF THE THIRD FISCAL YEAR AFTER APPROPRIATION TO MEET THE 5**
5 **PERCENT REQUIREMENT OF THIS COMMITTED FUND BALANCE.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2012.