

HB768_Grant-Hopkins_FAV

Uploaded by: Felicia Grant-Hopkins

Position: FAV

Environmental & Transportation Committee
100 State Circle, State House
Annapolis, MD 21401

RE: HB 768

Dear Chair, Vice Chair, & Committee Members,

We are writing to request your full support of House Bill 768, titled “Municipal Incorporation – County Commissioners or County Council – Required Approval of Referendum Request,” legislation introduced by Delegates S. Johnson and A. Johnson. It is under consideration by the Environment and Transportation Committee on February 18, 2025. This bill addresses crucial aspects of the incorporation process for municipalities, in general, and for us, specifically in Harford County.

House Bill 768 aligns with our shared commitment to promoting effective and responsible governance in Harford County. Therefore, we ask that you support this bill and assist with its passage through the legislative process.

In addition to its legal implications, this bill addresses essential needs within the Edgewood community and other areas of Harford County. Some of these vital needs include:

- Centralizing zoning and development decisions to include community residents who are immediately affected by these decisions.
- Self-determination of the reinvestment of the community’s tax dollars
- Providing the community members a voice and a chance to shape a new municipal government.
- Status as a stakeholder in the functions of a County with just three municipalities
- The overall ability to contest the decisions of a County Council whose background and persuasions may differ greatly from that of unincorporated communities in Harford County

House Bill 768 proposes necessary amendments to the existing law, particularly in Articles related to Local Government, to ensure a transparent and accountable process for municipal incorporation. The bill enhances public participation and oversight into the incorporation process by requiring a certain organizing committee to make determinations and provide reports to the county commissioners or county council.

Furthermore, the provisions outlined in the bill, such as specifying the approval of a referendum request and posting relevant reports on the county's website, contribute to fostering

community engagement and informed decision-making. These measures are essential for upholding the democratic principles of local governance.

I believe that House Bill 768 aligns with our commitment to promoting effective and responsible governance in Harford County. Therefore, we urge you to support this bill and its passage in the House of Delegates.

Thank you for your attention to this matter.

Sincerely,

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MML - HB 768 - FAV.pdf

Uploaded by: Justin Fiore

Position: FAV

TESTIMONY

February 18, 2025

Committee: House Environment and Transportation Committee

Bill: HB 768 – Municipal Incorporation - County Commissioners or County Council - Required Approval of Referendum Request

Position: Support

Reason for Position:

The Maryland Municipal League supports House Bill 768, which provides residents with a clear pathway to municipal incorporation.

Municipal incorporation understandably requires several significant procedural steps along the way to forming a new governing body. Part of the process includes establishing an organizing committee, working with the county liaison, holding public meetings, and developing a municipal charter.

But, after all this work, there is no mechanism that would require a county to allow a referendum of the voters to occur. As such, we have only seen 5 successful municipal corporations since 1954, all of which were already special taxing districts and provided no property tax revenue to their respective counties. No new community has established a municipality in over 70 years.

HB 768 gives local communities a fighting chance by requiring the county to approve a referendum request at the end of the process if 40% of the area's residents signed the incorporation petition. Registered voters would still have to vote for incorporation via referendum, but they will at least have the opportunity. We believe this is a reasonable and balanced approach which enables Maryland residents to have a say in their manner of representation.

For these reasons, the Maryland Municipal League respectfully requests a ***favorable*** report on House Bill 768. For more information, please contact Justin Fiore, Deputy Director of Advocacy and Public Affairs, at justinf@mdmunicipal.org. Thank you in advance for your consideration.

The Maryland Municipal League uses its collective voice to advocate, empower and protect the interests of our 161 local governments members and elevates local leadership, delivers impactful solutions for our communities, and builds an inclusive culture for the 2 million Marylanders we serve.

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HB0768-ET_MACo_OPP.pdf

Uploaded by: Michael Sanderson

Position: UNF



House Bill 768

*Municipal Incorporation - County Commissioners or County Council -
Required Approval of Referendum Request*

MACo Position: **OPPOSE**

To: Environment and Transportation Committee

Date: February 18, 2025

From: Michael Sanderson

The Maryland Association of Counties (MACo) **OPPOSES** HB 768. This bill would upend the longstanding, carefully crafted framework that governs municipal incorporation by stripping county governments of proper and necessary input and oversight.

Under current and longstanding Maryland law, in order to incorporate, residents of an area must first petition the county governing body with their interest. The county then evaluates the potential effects of the possible incorporation on the surrounding area and the county at large, and determines through its own public process whether to submit the matter to a referendum, which by law is confined to the affected area's residents. HB 768 effectively skips that middle step, and denies any input from areas affected by, but not geographically within, the proposed incorporation.

The effects of such a change are far-reaching, and potentially worrisome. This bill could jeopardize local zoning policies by creating an appealing avenue for development inconsistent with the overall county land use plans. During a vigorous development climate, builders frustrated by limitations of county-imposed laws such as Adequate Public Facilities Ordinances may see a new incorporation path as an avenue to skirt those limitations, and HB 768 could advance that. The result could be overcrowding in school facilities and unmanageable burdens on public safety, infrastructure, and other county services.

From the fiscal perspective, wide-open incorporation could pose comparable concerns. Under Maryland law, county income tax receipts from municipal residents are shared with the city or town. Residents in select enclaves in virtually any county could incorporate merely to receive this allocation of county resources – regardless of their desire for any municipal services. This curiosity already exists in certain current Maryland municipalities, but could become rampant if legislation like HB 768 were to pass.

Along similar lines, state law governing Highway User Revenues would be another artificial inducement to incorporate. This is because state law currently rewards municipal road miles more generously than county road miles (and even more so with the current phase-in of substantially higher municipal road funding passed during the 2022 session), under a heavily distorted allocation, patchworked since the “great recession” cuts over a decade ago. While this financial incentive is not dramatic, it illustrates yet another distortion arising from a wide-open incorporation law.

The 2025 introduced bill adds a new element to its process, but does so by awkwardly placing the burden of fiscal analysis onto the “organizing committee” who may lack the technical wherewithal and the proper data access to effectively forecast these statutory funding shifts. Their ability to project the

potential new level of services and additional taxes from residents and property owners in the area may be valuable to the county governing body and the nearby residents, but tells only a part of the story.

In Maryland, county and municipal government have a different range of responsibilities. Allowing residents to, at their leisure, designate themselves for municipal treatment when it suits their whim, and without concern for the effects on the abutting areas or the county at large, merely allows the distortions in these laws to become a major policy weakness.

HB 768 reverses a set of laws designed to ensure broad, public consideration of proposed municipal incorporations, and sets aside the meaningful impacts upon the residents of the area surrounding the would-be town. Accordingly, MACo requests an **UNFAVORABLE** report on HB 768.