

Expedited Bill No. 2-22  
Concerning: Montgomery County  
Municipal Revenue Program -  
Amendments  
Revised: January 5, 2022 Draft No. 1  
Introduced: January 11, 2022  
Enacted: March 1, 2022  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsors: Council President at the request of the County Executive

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**AN EXPEDITED ACT to:**

- (1) alter the calculation of reimbursements to municipalities for eligible costs;
- (2) alter the requirements for municipalities to participate in the municipal revenue program;
- (3) provide for a timeline of when certain reimbursement activities must be accomplished;
- (4) amend reimbursements for the City of Takoma Park police services;
- (5) provide for a phased-in implementation period; and
- (6) generally amend the law related to the Montgomery County Municipal Revenue Program.

By amending

Montgomery County Code  
Chapter 30A, Montgomery County Municipal Revenue Program  
Sections 30A-1, 30A-2, 30A-3, 30A-4, 30A-5, and 30A-6

Chapter 35, Police  
Section 35-5

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

**Sec. 1. Sections 30A-1, 30A-2, 30A-3, 30A-4, 30A-5, and 30A-6, and Section 35-5 are amended as follows:**

**30A-1. Established.**

There is hereby established a program to reimburse municipalities within the [county] County for those public services provided by the municipalities which would otherwise be provided by the [county] County government.

**30A-2. Qualification of municipal public services for county reimbursement.**

Municipal public services shall qualify for county reimbursement if the following conditions are met:

- (1) [The] the municipality provides the service to its residents and taxpayers[,];
- (2) the service would be provided by the [county] County if it were not provided by the municipality[,];
- (3) except for police services, the service is not actually provided by the [county] County within the municipality; [and]
- (4) the comparable [county] County service is funded from tax revenues derived partially from taxpayers in the participating municipality; and
- (5) the municipality actually funds the service.

**30A-3. Determination of amount of reimbursement.**

(a) In general. Subject to the provisions of section 30A-4 and subsections (b) through (e) of this section, each participating municipality shall be reimbursed by an amount determined by the [county executive] County Executive to approximate the amount [of municipal tax revenues required to fund the eligible services. The amount of reimbursement shall be limited to the amount the county executive estimates the county would expend if it were providing the services] the County would incur

to provide transportation, police, crossing guards, and park maintenance services in the municipality.

(b) Transportation. For transportation-related expenses, reimbursements must be equal to the County's average per mile or per item expenditures for the three most recent fiscal years multiplied by the number of miles or items in each municipality.

(c) Park maintenance. For park maintenance related expenses:

(1) reimbursements for fiscal year 2023 must be:

(A) for Section 3 of the Village of Chevy Chase: \$4,800;

(B) for the Town of Chevy Chase: \$11,453;

(C) for the Village of Friendship Heights: \$89,813;

(D) for the Town of Kensington: \$46,242; and

(E) for the City of Takoma Park: \$93,942; and

(2) reimbursements for subsequent fiscal years must be increased above the amounts specified under paragraph (1) by the annual percentage change to the Consumer Price Index for the Washington, D.C. Metropolitan Area, as determined by the United States Department of Labor, Bureau of Labor Statistics.

(d) Police. Subject to Section 35-5, reimbursements for police expenses must be the greater of an amount equal to:

(1) the costs the County would incur to provide police services in the municipality if the municipality did not provide police services, as determined by a quadrennial utilization assessment performed by the County; or

(2) the cost to the County of one full-time officer.

(e) Crossing guards. For Crossing Guards, reimbursements must be based on the costs the County would incur to provide crossing guard services

in the municipality as determined by a quadrennial utilization assessment performed by the County.

**30A-4. Limitations on expenditures.**

All expenditures by the [county] County under the authority of this chapter shall be subject to the limits of the funds appropriated by the [county council] County Council.

**30A-5. [Application to participate in program] Timeline of annual certifications, notifications, and payments.**

(a) No later than September 15 of the preceding fiscal year, in accordance with Section 6-305(f) of the Tax-Property Article of the Maryland Code, the County will advise all municipalities within the County of any reasonable supporting documentation required to provide sufficient detail for the County to calculate the reimbursement.

(b) Any municipality within the [county] County which desires to participate in the [county] County municipal revenue program [shall] will submit not later than November 15 of [each] the preceding fiscal year to the [county] County [an application which shall be in such form and contain such information as may be required by the county executive] a certification of eligible services and the documentation required under subsection (a).

(c) The County will notify each municipality of the reimbursement amounts it will receive in each fiscal year no later than February 15 of the preceding fiscal year.

(d) Reimbursement payments to municipalities will be made once per year, no later than October 1 of that fiscal year.

- (e) The County will provide each municipality participating in the municipal revenue program with the calculations supporting the reimbursement payment.

**30A-6. County tax rate in certain municipalities.**

- (a) *Reduced tax rate.* Pursuant to [section] Section 6-305 of the Tax-Property Article[, Annotated Code of] the Maryland Code, before June 30 the [county council] County Council may set for the coming taxable year a general [county] County property tax rate on assessments of properties in any municipality at a rate that is less than the general [county] County tax rate on assessments of properties in parts of the [county] County outside of the municipality if the municipality:

- (1) [Lies] lies partly in Montgomery County and partly in another county;
- (2) [Performs] performs fire and rescue services in whole or in part in lieu of the county performing those services; and
- (3) [The] the conditions in subsection (d) are met.

- (b) *Performance of services.* The municipality may perform fire and rescue services by actually providing the services or by paying for all or part of the costs and expenses of fire and rescue services.

- (c) *Amount of tax rate.* The general County property tax rate on assessments of properties in the municipality must be less than the general County property tax rate on assessments outside of the municipality by the amount of the tax rate established for the Fire Tax District for the same taxable year.

- (d) *Conditions for reduced rate.* The municipality, on or before June 15, must present satisfactory written evidence to the County Council demonstrating that the municipality for the coming taxable year:

(1) [Has] has levied a general municipal property tax on all assessments of properties in the municipality equal to the tax rate proposed to be set for the Fire Tax District for the coming taxable year; and

(2) [Will] will collect and remit to Montgomery County the full amount of taxes imposed on assessments of properties in the municipality under paragraph (d)(1) in partial payment of the costs and expenses of providing fire and rescue services in the municipality.

(e) *Allocation of funds.* Taxes received from the municipality must be allocated by the County as follows:

(1) [Taxes] taxes on assessments of properties in the Montgomery County section of the municipality will be placed in the General Fund.

(2) [Taxes] taxes on assessments of properties in the other county's section of the municipality will be placed in the Fire Tax District Fund.

**35-5. Takoma Park [Rebate] reimbursement.**

(a) If the County [and the City of Takoma Park agree that the substation located in the City is abolished, the County] does not provide police protection in the City of Takoma Park, and the City provides its own citywide police protection, [the Director of Finance must, during each fiscal year that this agreement is in effect, pay to the City treasurer, in quarterly installments, that portion of the revenue from the County tax levied on each \$100.00 of assessable:

(1) personal property in the City which is produced by 12 cents of the tax rate levied on personal property; and

(2) real property in the City which is produced by 4.8 cents of the tax rate levied on real property] reimbursements to the City for police services must be the greater of the amount calculated under Section 30A-3 or \$4,020,521.

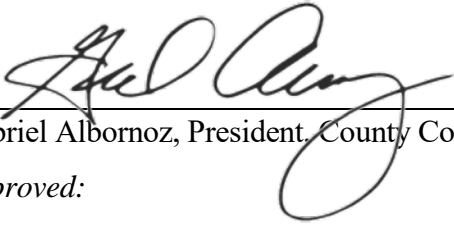
(b) If [any agreement referred to in subsection (a) is terminated or modified] the County resumes police services in the City of Takoma Park after a fiscal year begins, the amount paid under [it] subsection (a) must be prorated according to the number of days in that fiscal year that the [agreement has been in effect] County provides the services.

(c) Nothing in this Section limits the jurisdiction of the County police in the City of Takoma Park.

**Sec. 2. Expedited Effective Date.** The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.

**Sec. 3. Transition.** The County Executive may phase in the implementation of Section 1 of this Act over a three-year period after the effective date. In fiscal year 2023, subject to Section 30A-4, the County must fund the reimbursements at no less than 80% of the amounts specified under Section 1. In fiscal year 2024, subject to Section 30A-4, the County must fund the reimbursements at no less than 90% of the amounts specified under Section 1. Beginning in fiscal year 2025, the County must fully fund the reimbursements specified under Section 1, subject to Section 30A-4.

*Approved:*



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Gabriel Albornoz, President, County Council

3/2/2022

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Date

*Approved:*

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Marc Elrich, County Executive

Date

*This is a correct copy of Council action.*

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Selena Mendy Singleton, Esq., Clerk of the Council

Date