

Action

MEMORANDUM

May 18, 2010

TO: County Council

FROM: Amanda Mihill, Legislative Analyst *A. Mihill*

SUBJECT: **Action:** Expedited Bill 32-10, Administration – Public Libraries – Payments to Municipalities

Expedited Bill 32-10, Administration – Public Libraries – Payments to Municipalities, sponsored by the Health and Human Services Committee, was introduced on May 4, 2010. A public hearing on Bill 32-10 was held on May 11 at which the mayor of Takoma Park supported the bill.

Bill 32-10 would authorize the County to pay to certain municipalities that support or operate a free public library an amount determined in the operating budget or Council resolution for FY11 and FY12. Current law requires the Department of Finance to pay the Takoma Park Library a specific amount determined by a formula. At its worksessions on the Non-Departmental Account for the Takoma Park Library Annual Payment, the HHS Committee and the Council reduced the NDA by \$11,830 (24%), which is the same percentage reduction in the Department of Public Libraries FY11 operating budget that the Executive recommended and the Council supported. Bill 32-10 would change County law to implement this funding recommendation. Because the Committee reviewed draft legislation during its discussions on the FY11 operating budget, the Committee Chair determined that no additional Committee worksession was required for Bill 32-10.

This packet contains:

Expedited Bill 32-10
Legislative Request Report
Fiscal Impact Statement
Public hearing testimony

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Expedited Bill No. 32-10
Concerning: Administration - Public
Libraries - Payments to
Municipalities
Revised: 4/27/2010 Draft No. 2
Introduced: May 4, 2010
Expires: November 4, 2011
Enacted: _____
Executive: _____
Effective: July 1, 2010
Sunset Date: June 30, 2012
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Health and Human Services Committee

AN EXPEDITED ACT to:

- (1) authorize the County to pay to certain municipalities that support or operate a free public library an amount determined in the operating budget or Council resolution; and
- (2) generally amend the county law related to the payment of the County library tax to certain municipalities.

By amending

Montgomery County Code
Chapter 2, Administration
Section 2-53

Boldface	<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. Section 2-53 is amended as follows:

2-53. Annual payment of county library tax to certain municipalities.

(a) If the governing body of any municipality in the County which supports or operates a free public library on December 31, 1997 does not transfer that library into the County system, the Director of Finance must pay annually to the governing body of that municipality for library purposes, as soon after the beginning of each fiscal year as possible[,];

(1) an amount which would be realized if that portion of the general County ad valorem tax rate on real and personal property attributable to the appropriation for the Department of Public Libraries for that fiscal year were levied against the assessed value, on the preceding County date of finality, of the real and personal property in that municipality; or

(2) a lower amount approved in the annual operating budget or a Council resolution.

For the purposes of this subsection, the amount of the appropriation for the Department of Public Libraries in any fiscal year includes the estimated amount of the payment to that municipality in that fiscal year. The amount of payment to any municipality must not exceed in any given fiscal year the amount of revenue derived from taxes levied by that municipality for library purposes for the preceding fiscal year.

(b) If the governing body of a library supported by a municipality indicates a desire to transfer all or part of the library facilities owned by it into the County public library system, the Director of Public Libraries must negotiate for that transfer as provided in this Article.

Sec. 2. Expedited Effective Date.

The Council declares that this legislation is necessary for the immediate

28 protection of the public interest. Section 2-53, as amended by Section 1 of this Act,
29 takes effect on July 1, 2010.

30 **Sec. 3. Sunset.**

31 The amendments inserted in Section 2-53 in Section 1 expire after June 30,
32 2012.

Approved:

Nancy Floreen, President, County Council

Date

Approved:

Isiah Leggett, County Executive

Date

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Bill 32-10, *Administration – Public Libraries – Payments to Municipalities*

DESCRIPTION: Bill 32-10 would authorize the County to pay to certain municipalities that support or operate a free public library an amount determined in the operating budget or Council resolution.

PROBLEM: County Code §2-53 requires the County must pay to municipalities that support or operate a free public library a specific amount as determined by a formula.

GOALS AND OBJECTIVES: To provide the County flexibility in payments to certain municipalities that support or operate a free public library.

COORDINATION: Departments of Finance and Public Libraries and City of Takoma Park.

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Amanda Mihill, Legislative Analyst, 240-777-7815
Essie McGuire, Legislative Analyst, 240-777-7813

APPLICATION WITHIN MUNICIPALITIES: Will affect the City of Takoma Park.

PENALTIES: N/A



OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett
County Executive

Joseph F. Beach
Director

MEMORANDUM

May 10, 2010

RECEIVED
MONTGOMERY COUNTY
COUNCIL
2010 MAY 10 PM 4:28

TO: Nancy Floreen, President, County Council

FROM: Joseph F. Beach, Director, Office of Management and Budget
KTallouger Beach

SUBJECT: Expedited Bill 32-10, Administration – Public Libraries – Payments to Municipalities

The purpose of this memorandum is to transmit a fiscal impact statement to the Council on the subject legislation.

LEGISLATION SUMMARY

The proposed legislation would authorize the County to pay to certain municipalities that support or operate a free public library an amount determined in the operating budget or Council resolution and generally amend the county law related to the payment of the County library tax to certain municipalities. The legislation also includes a sunset provision which only allows this modified funding in FY11 and FY12.

FISCAL AND ECONOMIC SUMMARY

There is no economic impact due to the proposed legislation. For the fiscal impact, this legislation would only affect Takoma Park, since it is the only municipality receiving a library payment through the Takoma Park Library Annual Payment Non-Departmental Account. For the FY11 and FY12 operating budgets, the Council will be able to decrease the existing formula amount, which is based on the City of Takoma Park's assessable base multiplied by the County's ad valorem tax rate on real and personal property attributable to the net County library appropriation.

The County Executive's recommended Takoma Park Annual Library Payment for FY11 is \$112,780, which is based on the existing formula. This legislation would now make this payment subject to budget action, rather than the formula payment.

Michael Coveyou, Department of Finance, and Blaise DeFazio, Office of Management and Budget contributed to and concurred with this analysis.

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Office of the Director

**PUBLIC HEARING
Expedited Bill 32-10
Administration – Public
Libraries – Payments to
Municipalities**



**Testimony of Bruce R. Williams
Mayor, City of Takoma Park
May 11, 2010**

Good afternoon. I am Bruce Williams, Mayor of the City of Takoma Park.

The Takoma Park Library Payment is a payment based on a formula that is related to the amount that property owners are taxed for library services in Montgomery County.

The City of Takoma Park understands the difficulties being faced by Montgomery County this year and recognizes that the County library system will be sustaining large budget cuts.

While we would prefer that the amount being paid the City through the Takoma Park Library Payment not be lowered, we understand the desire to do so. We support the proposed legislation and urge that the two year sunset provision be retained.

Thank you.