

CHARTER REVIEW COMMISSION
Wednesday, April 8, 2009
6th Floor Conference Room
Council Office Building

Commission Members Present:

Nancy Soreng, Chair
Michael Cogan
Karen Czapanskiy
Wilbur Friedman
Mollie Habermeier
Robert Shoenberg
Moshe Starkman
Judith Vandegriff

Anne Marie Vassallo
Charles Wolff

Staff:

Mike Faden, County Council
Justina Ferber, County Council
Marc Hansen, County Attorney's Office
Marie Jean-Paul, County Council
Amanda Mihill, County Council

Guests:

Dale Tibbits, Councilmember Marc Elrich
Jacob Sesker, Maryland-National Capital Park
and Planning Commission
Piera Weiss, M-NCPPC

Commission Members Absent:

Alice Gresham Bullock, Vice-Chair

Commission Chair Nancy Soreng began the meeting at 8:06 a.m.

I. Opening Remarks/Introduction of New Commission Member

Ms. Soreng opened the meeting by welcoming Moshe Starkman, who was appointed and confirmed to the Charter Review Commission on March 17.

II. Meeting with Maryland-National Capital Park and Planning Commission Staff

The Commission met with Jacob Sesker and Pierra Weiss from the Maryland-National Capital Park and Planning Commission to discuss the future use of special taxing districts in master and sector plans recommended by the County Planning Board.

In discussing the potential use of special taxing districts in the White Flint Sector Plan, Mr. Sesker noted that the Plan involves a lot of infrastructure costs and charging an ad valorem tax was considered as a tool to pay for the infrastructure needs. Mr. Sesker noted that the interest in using special taxing districts has increased for a variety of reasons, including:

- Park and Planning is more interested in creating master plans that are more “implementable”, which means considering the infrastructure costs and how to pay for implementation.
- Development districts are better suited for green field development (1 owner). Parking lot districts are a tool best suited for locations in which the public sector owns land. In redevelopment plans where there is diverse ownership and little or no public land for parking lots, special taxing districts may be the most useful infrastructure finance tool. .

- Some other measures, such as impact taxes, do not raise adequate revenue to pay for all of the necessary improvements.
- Some measures, such as Urban Service Districts, are aimed more toward financing safety measures and clean streets, not infrastructure costs of the magnitude required to implement a master or sector plan.

Mr. Sesker also noted that businesses and residents may increasingly become unwilling to be taxed at a higher level if they will lose control over how the increased revenue is spent.

Mr. Sesker noted that he has been advised that Charter-related issues may limit the use of special taxing districts.

Responding to questions from Commissioners regarding whether the Council would need owner consent to establish a special taxing district, Mr. Hansen noted that it depended on the type of special taxing district the Council wants to create. Under current law, the creation of a development district requires the consent of a certain percentage of property owners that would be in the development district. However, other types of special taxing districts do not require a percentage of consenting owners. Mr. Hansen explained that the Council derives its special taxing authority from 2 sources: (1) the Home Rule and Express Powers Act, which allows for the creation of special taxing districts; and (2) State law, which allows the County to impose taxes similar to the General Assembly, with certain exceptions. Mr. Hansen made clear that only the Council or the General Assembly can tax its residents; M-NCPPC does not have that authority.

Dale Tibbits, Confidential Aide to Councilmember Marc Elrich, informed the Commission that the Councilmember was interested in using special taxing districts as a financing mechanism for the Bus Rapid Transit system. Commissioners were interested in inviting Councilmember Elrich to the next Commission meeting to discuss this idea.

Commission members requested a written memorandum from M-NCPPC about the future use of special taxing districts and what changes to the Charter may be needed. Commissioners requested that Council staff distribute this memorandum to Councilmembers Trachtenberg and Elrich when received so that the Councilmembers can respond to the memorandum when they meet with the Commission.

Some Commissioners made the following suggestions for Commission members to keep in mind when discussing this issue and potential Charter amendments:

- The Commission should keep in mind how the concept of excluding special taxing districts from the Charter limit should be implemented.
- How should “special taxing districts” be defined?
- How prescriptive should any potential language be?
- Whatever potential language the Commission may recommend, the language should be clear regarding what is or is not under the Charter §305 cap on property tax revenue.

Commission members requested information on the current County laws regarding creating certain special taxing districts. Mr. Hansen offered to submit to the Commission a list of common characteristics of special taxing districts.

IV. Administrative Items

A. Approval of March 11 minutes

Mr. Cogan requested that the March 11 minutes reflect that his absence was due to illness. The Commission approved the March 11 minutes. Motion made by Wilbur Friedman and seconded by Anne Marie Vassallo.

In favor: Michael Cogan, Karen Czapanskiy, Wilbur Friedman, Mollie Habermeier, Robert Shoenberg, Nancy Soreng, Moshe Starkman, Anne Marie Vassallo, Charles Wolff (9)

Abstain: Judith Vandegriff (1)

B. Discussion of future workplan

Commission members decided to continue their discussion of special taxing districts at their meeting in June, with the goal of coming to a preliminary decision on this issue. The Commission generally agreed not to meet in July or August.

The meeting was adjourned at 9:30 a.m.