

City of Rockville 111 Maryland Avenue Rockville, Maryland 20850-2364 www.rockvillemd.gov

240-314-5000 TTY 240-314-8137 April 7, 2021

The Honorable Council President Hucker and County Councilmembers Montgomery County Council 100 Maryland Avenue Rockville, Maryland 20850

Dear Council President Hucker and County Councilmembers,

As the County Council deliberates the County Executive's FY22 Recommended Operating Budget, the Mayor and Council wish to share our perspective on municipal tax duplication.

Municipal services save the County from the expense and effort of providing certain services if the municipalities did not exist, and benefit the entire County (recreation and parks, roads, bridges, police, etc.). Rockville and all Montgomery municipalities are looking for fair and just compensation for services provided. While the County Executive's recommended increase in FY22 is a step forward, the County continues to significantly underfund municipal tax duplication.

Since 2012, municipal tax duplication payments from the County to municipalities have been substantially frozen, while the cost of providing these services in the County and in the municipalities, has significantly increased. It is imperative that the County and municipalities execute a formal and permanent process for municipal tax duplication and codify the formulas into the County Code. County Council support and involvement in this process is critical.

We request that the County Council amend the County's FY22 budget to adjust the municipal tax duplication payments to the amount for transportation (road maintenance), park and other services as outlined in the chart provided to Montgomery County municipalities in February, which would total \$14,203,314. Since municipalities have little authority to set rates for revenue other than the property tax, fair reimbursement for all municipal tax duplication costs is urgently needed.

Rockville's top-notch Police Department responds to 71% (2020 data) of calls for service in the city, which frees up the County Police to allocate resources to other communities. The City has never received reimbursement from the County for these services. We request that the County Council and County Executive work with the cities of Chevy Chase Village, Gaithersburg, and Rockville to fairly negotiate payments for these essential public safety services.

Montgomery County is a safe, attractive, and welcoming place because of the partnership between the County and municipalities to provide services that improve the quality of life for our residents. We respectfully ask the County Council to bring resolution to this long-standing issue by approving a fair amount of municipal tax duplication reimbursement - as referenced above - and codifying the formulas into the County Code. We welcome the opportunity to discuss this matter with you further. Thank you.

Sincerely,

MAYOR Bridget Donnell Newton

COUNCIL Monique Ashton Beryl L. Feinberg David Myles Mark Pierzchala

CITY MANAGER Robert DiSpirito

CITY CLERK/DIRECTOR OF COUNCIL OPERATIONS Sara Taylor-Ferrell

Mayor and Council of Rockville

cc: Marc Elrich, Montgomery County Executive

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ACTING CITY ATTORNEY

Cynthia Walters