Montgomery County Council

Committee: Directly to Council
Committee Review: N/A
Staff: Christine Wellons, Legislative Attorney
Purpose: Final action – vote expected
Keywords: #

AGENDA ITEM #3
July 29, 2020
Introduction/Action

SUBJECT
Resolution, Qualification of Petitioned Ballot Question to Amend the County Charter - Property Tax Limit – Prohibit Override

EXPECTED ATTENDEES: N/A

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION:

• Whether to enact the resolution, which acknowledges that a petition has qualified to place on the 2020 General Election ballot a question of whether to amend Section 305 of the Charter.
• NOTE: A suspension of Council Rule of Procedure 7(c) is required in order to introduce and act upon this resolution in the same day.

DESCRIPTION/ISSUE
This resolution determines that a petition was filed by certain voters to place on the 2020 General Election ballot a question of whether to amend Section 305 of the Charter:

to prohibit the County Council from levying an ad valorem tax on real property that would produce total revenue (not including property tax revenue from certain enumerated sources) that exceeds the total revenue produced by the tax on real property in the preceding fiscal year plus a percentage of the previous year’s real property tax revenues that equals any increase in the Consumer Price Index. Section 305 currently permits the County Council to exceed the limit on real property tax revenue only upon the affirmative vote of all current Councilmembers.

SUMMARY OF KEY DISCUSSION POINTS: The local board of elections has determined that the petitioned ballot question qualifies to appear on the 2020 General Election ballot. This resolution is a required formality under the State Election Law, Section 7-0102(c)(3), which requires a county’s governing body to determine that a petitioned question qualifies to appear on the ballot. The resolution is not an endorsement of the proposed Charter amendment.

This report contains:
Resolution

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SUBJECT: Qualification of Petitioned Ballot Question to Amend the County Charter

Background

(1) Section 5 of Article XI-A of the Maryland Constitution, §7-102(c)(3)(i) of the Election Law Article of the Maryland Code, and §16-14 of the Montgomery County Code provide that amendments to the Charter of Montgomery County may be proposed by a resolution of the County Council. Section 5 of Article XI-A of the Constitution also provides that amendments to the Charter may be proposed by a petition signed by at least 10,000 registered voters of the County and filed with the President of the County Council.

(2) Under §7-103(c)(3)(i) of the Election Law Article of the Maryland Code, ballot questions for proposed Charter amendments must be certified to the State Board of Elections. County Code §16-16 provides that a ballot title or summary, prepared by the County Council, of all proposed Charter amendments must appear in print on the voting machine or ballot.

(3) The County Board of Elections has determined that a petition to amend §305 of the Charter has the required number of signatures. The petition proposes to amend §305 of the Charter to eliminate the ability of the County Council to exceed the limitation on the amount of revenue the County can realize from the real property tax upon the affirmative vote of all current Councilmembers.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

1) Subject to the approval of the County Attorney as to the form of the question, the following Charter amendment must be placed on the 2020 general election ballot by act of the County Council:

C

Property Tax Limit - Prohibit Override
By petition certain voters of Montgomery County propose to amend Section 305 of the Charter of Montgomery County as follows:

**Sec. 305. Approval of the Budget; Tax Levies.**

The Council may add to, delete from, increase or decrease any appropriation item in the operating or capital budget. The Council shall approve each budget, as amended, and appropriate the funds therefor not later than June 1 of the year in which it is submitted.

An aggregate operating budget which exceeds the aggregate operating budget for the preceding fiscal year by a percentage increase greater than the annual average increase of the Consumer Price Index for all urban consumers for the Washington-Baltimore metropolitan area, or any successor index, for the twelve months preceding December first of each year requires the affirmative vote of six Councilmembers. For the purposes of this section, the aggregate operating budget does not include: (1) the operating budget for any enterprise fund; (2) the operating budget for the Washington Suburban Sanitary Commission; (3) expenditures equal to tuition and tuition-related charges estimated to be received by Montgomery College; and (4) any grant which can only be spent for a specific purpose and which cannot be spent until receipt of the entire amount of revenue is assured from a source other than County government.

The Council shall annually adopt spending affordability guidelines for the capital and operating budgets, including guidelines for the aggregate capital and aggregate operating budgets. The Council shall by law establish the process and criteria for adopting spending affordability guidelines. Any aggregate capital budget or aggregate operating budget that exceeds the guidelines then in effect requires the affirmative vote of seven Councilmembers for approval.

By June 30 each year, the Council shall make tax levies deemed necessary to finance the budgets. [Unless approved by an affirmative vote of all current Councilmembers, the] The Council shall not levy an ad valorem tax on real property to finance the budgets that will produce total revenue that exceeds the total revenue produced by the tax on real property in the preceding fiscal year plus a percentage of the previous year’s real property tax revenues that equals any increase in the Consumer Price Index as computed under this section. This limit does not apply to revenue from: (1) newly constructed property, (2) newly rezoned property, (3) property that, because of a change in state law, is assessed differently than it was assessed in the previous tax year, (4) property that has undergone a change in use, and (5) any development district tax used to fund capital improvement projects.

The ballot for this question must be designated and read as follows:

**Question C**
Charter amendment by petition

Property Tax Limit - Prohibit Override

Amend Section 305 of the County Charter to prohibit the County Council from levying an ad valorem tax on real property that would produce total revenue (not including property tax revenue from certain enumerated sources) that exceeds the total revenue produced by the tax on real property in the preceding fiscal year plus a percentage of the previous year’s real property tax revenues that equals any increase in the Consumer Price Index. Section 305 currently permits the County Council to exceed the limit on real property tax revenue only upon the affirmative vote of all current Councilmembers.

FOR

AGAINST

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2) Language included within [brackets] is proposed to be deleted from the Charter. Language that is underlined is proposed to be added to the Charter.

This is a correct copy of Council action. Approved as to form and legality:

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Selena Mendy Singleton, Esquire  Marc P. Hansen
Clerk of the Council  County Attorney