

Expedited Bill No. 28-08
Concerning: Spending Affordability -
Operating Budget - Revisions
Revised: 7-15-08 Draft No. 2
Introduced: July 29, 2008
Enacted: September 16, 2008
Executive: September 29, 2008
Effective: September 29, 2008
Sunset Date: None
Ch. 32, Laws of Mont. Co. 2008

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Management and Fiscal Policy Committee

AN EXPEDITED ACT to revise the criteria and process for adopting spending affordability guidelines for the annual operating budget.

By amending

Montgomery County Code
Chapter 20, Finance
Sections 20-59 through 20-63

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:

1 **Sec. 1. Sections 20-59 through 20-63 are amended as follows:**

2 **ARTICLE XI. SPENDING AFFORDABILITY - OPERATING BUDGETS**

3 **20-59. Definitions.**

4 In this Article, the following terms have the meanings indicated:

5 (a) **Operating budget** means the total amount appropriated from current
6 operating revenues for the ensuing fiscal year, including any current
7 revenue funding for capital projects.

8 (b) **Aggregate operating budget** means the **operating budget**, minus
9 any amounts appropriated for:

10 (1) enterprise funds;

11 (2) the Washington Suburban Sanitary Commission;

12 (3) expenditures equal to tuition and tuition-related charges
13 estimated to be received by Montgomery College; and

14 (4) any grant which can only be spent for a specific purpose and
15 which cannot be spent until receipt of the entire amount of
16 revenue is assured from a source other than County
17 government.

18 (c) **Council** means the County Council.

19 **20-60. [Establishment] Adoption of Guidelines.**

20 (a) **General.** [Spending] The Council must adopt spending affordability
21 guidelines for the operating budget [must be established] in
22 accordance with this Article.

23 (b) **Content.** The spending affordability guidelines for the operating
24 budget must specify:

25 (1) a ceiling on funding from ad valorem real property tax
26 revenues; and

27 (2) a ceiling on the aggregate operating budget.

28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54

(c) **Procedures.**

- (1) The Council must adopt spending affordability guidelines for the operating budget by resolution not later than the [third] second Tuesday in [December] February of each year.
- (2) The Council must hold a public hearing before it adopts the guidelines under paragraph (1).
- (3) The Council may delegate responsibility for monitoring relevant affordability indicators to the Council's standing committee with jurisdiction over spending affordability matters.
- [(4) Not later than the second Tuesday after the General Assembly adjourns its regular session each year, the Council may amend the resolution establishing the guidelines to reflect a significant change in conditions. An amendment may increase or decrease any guideline. However, any increase of a guideline adopted under subsection (b)(2) must not exceed the projected net increase in available resources since the guideline was adopted, applying the tax rates that were assumed in adopting that guideline and considering the rates of any tax approved or repealed since that guideline was adopted.]

20-61. Affordability Indicators.

- (a) **Factors.** In adopting [its] guidelines, the Council should consider, among other relevant factors, the condition of the economy, the level of economic activity in the County, trends in personal income, and the impact of economic and population growth on projected revenues.
- (b) **Advice.** To assist the Council in adopting [and revising the] guidelines, the Finance Director must each January, and at other times as necessary, consult with independent experts, who need not be

55 County residents, from major sectors of the County economy. The
 56 experts should advise on trends in economic activity in the County
 57 and how activity in each sector of the economy may affect County
 58 revenues. The Director must report the experts' views, if any are
 59 received, [annually] to the Executive and Council.

60 **20-62. Approval of Aggregate Operating Budget.**

61 Any aggregate operating budget that exceeds the ceiling on the aggregate
 62 operating budget [in effect after the second Tuesday after the General Assembly
 63 adjourns its regular session] adopted under Section 20-60(c) requires the
 64 affirmative vote of 7 Councilmembers for approval.

65 **20-63. Recommended Budget Allocations.**

66 (a) **Applicability.** [Except for funds or budgets not] For each fund or
 67 budget included [within] in the aggregate operating budget, in the
 68 resolution adopted under Section 20-60(c)(1) the Council must adopt
 69 [recommended] separate budget allocations for County government,
 70 the Board of Education, Montgomery College, and the Maryland-
 71 National Capital Park and Planning Commission, and for debt service
 72 and current revenue funding of capital projects.

73 (b) **[Amendments.** To provide guidance to the standing committees of
 74 the Council in their budgetary deliberations, the Council may alter a
 75 recommended budget allocation by amending the resolution adopted
 76 under Section 20-60(c)(1) on or before the second Tuesday after the
 77 General Assembly adjourns its regular session.]

78 **[(c)] Expenditure Reductions.** If a budget [is] submitted to the County
 79 Council [that] exceeds a budget allocation adopted under subsection
 80 (a) [as revised under subsection (b)], the County Executive (for [all
 81 such budgets] the County government budget) and the governing

82 board of the agency that [initially] prepared the budget must [provide]
83 recommend by [the third Tuesday after the General Assembly
84 adjourns its regular session] March 31:

85 (1) prioritized expenditure reductions that would be
86 necessary to comply with the [recommended] adopted
87 budget allocation; and

88 (2) a summary of the effect on the agency's program of the
89 recommended prioritization.

90 **[(d)] (c) Added Information.** If the Executive or an agency submits a
91 proposed amendment to the operating budget to the Council after the
92 Executive has submitted the annual budget, and the proposed
93 amendment would cause the budget for County government or the
94 agency to exceed the budget allocation adopted under subsection (a)
95 [as revised under subsection (b)], the Executive or the respective
96 agency must include with the amendment the information required in
97 subsection [(c)] (b).

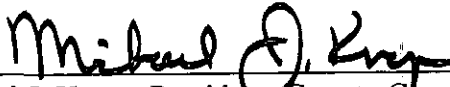
98 **Sec. 2. Expedited Effective Date.**

99 The Council declares that this Act is necessary for the immediate protection
100 of the public interest. This Act takes effect on the date when it becomes law.

101 *Approved:*

102

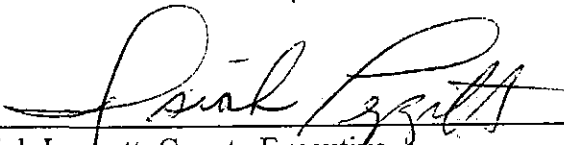
103

	18 SEP 08
Michael J. Knapp President, County Council	Date

104 *Approved:*

105

106

	Sept 29, 2008
Isiah Leggett, County Executive	Date

107 *This is a correct copy of Council action.*

108

109

	Sept 30, 2008
Linda M. Lauer, Clerk of the Council	Date