



Committee: GO
Committee Review: Completed
Staff: Christine Wellons, Legislative Attorney
Purpose: Final action – vote expected
Keywords: #PropertyTaxLimit

AGENDA ITEM #4
July 29, 2020
Action

SUBJECT

Resolution, Proposed Amendment to the County Charter –
Property Tax Limit – Limit Tax Rate Increases

Lead Sponsors: Councilmember Friedson, Council President Katz, and Councilmember Navarro

Co-Sponsors: Councilmembers Albornoz, Rice, and Riemer

EXPECTED ATTENDEES: N/A

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION:

Determine whether to adopt Resolution, Proposed Charter Amendment – Property Tax Limit – Limit Tax Rate Increases, as amended by the GO Committee.

DESCRIPTION/ISSUE

Whether to place on the 2020 General Election ballot a question to:

Amend Section 305 of the County Charter to prohibit the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved for the previous year, unless all current Councilmembers vote affirmatively for the increase.

This amendment would replace the current property tax limit, which requires an affirmative vote of all current Councilmembers to levy a tax on real property that would produce total revenue that exceeds the total revenue produced by the tax on real property in the preceding fiscal year plus any increase in the Consumer Price Index. The current property tax limit exempts real property tax revenue derived from (1) newly constructed property; (2) newly rezoned property; (3) certain property assessed differently under State law; (4) property that has undergone a change in use; and (5) property in a development tax district to provide funding for capital improvements.

Under this amendment, if approved by the voters, the Council would need a unanimous affirmative vote in order to raise the weighted tax rate on real property above the current rate of \$0.9785 per \$100 of assessed value.

SUMMARY OF KEY DISCUSSION POINTS: Council Vote Required

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M E M O R A N D U M

July 24, 2020

TO: County Council

FROM: Christine Wellons, Legislative Attorney

SUBJECT: Resolution, Proposed Charter Amendment – Property Tax Limit – Limit Tax Rate Increases

PURPOSE: Action – vote expected

Government Operations & Fiscal Policy (GO) Committee Recommendation (3-0):
Adopt Resolution with Amendments

Resolution, Proposed Charter Amendment – Property Tax Limit – Limit Tax Rate Increases, was introduced on July 14, 2020 by Lead Sponsors Councilmember Friedson, Council President Katz, and Councilmember Navarro, and Co-Sponsors Councilmembers Albornoz, Rice, and Riemer. A public hearing was held on July 21, at which 10 speakers provided comments. The Government Operations & Fiscal Policy (GO) Committee held a worksession on the resolution on July 20. The Committee recommended adoption of the resolution with amendments.

The Charter amendment proposed under the resolution would prevent the Council from setting a property tax rate on real property that exceeds the rate of the prior year, unless all current Councilmembers affirmatively vote for the increase.

This new limit on tax rate increases would replace the current “Charter limit” under Section 305, which provides that – unless all current Councilmembers agree – the Council may not levy an ad valorem tax on real property that would produce total revenue (not including certain enumerated types of 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.

BACKGROUND

Charter Section 305 is critically important to the fiscal health of the County and to the structure, functions, and role of County government. Among other provisions, Section 305 contains the following “Charter limit” on the average weighted property tax rate in relation to the County’s prior year’s revenues:

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 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.

Over the past 40 years, Section 305 has been amended several times, including most recently in 2018, when voters approved the Council’s proposal to require the affirmative vote of “all current Councilmembers” to override the Charter limit. The current proposal would not alter the necessity of an affirmative vote of all current Councilmembers, but – instead of being based on prior year revenues – the limit would be based on the actual tax rate of the prior year.

THE MEANING OF “AD VALOREM TAX ON REAL PROPERTY” UNDER SECTION 305

Under the current Charter Section 305, a unanimous vote of the Council is required to set an “ad valorem tax on real property” that would increase property tax revenues (with certain exclusions such as revenues from new construction) above the prior year’s revenues plus inflation.

The term “ad valorem tax on real property” is not defined under the current Charter language and, confusingly, could be subject to multiple interpretations because the Council sets numerous property tax rates. “Ad valorem” means proportional to value, which could refer to any combination of the numerous property tax rates. Therefore, it is important to understand how the term “ad valorem tax on real property” has been interpreted and implemented by the County.

Since the adoption of Section 305 in 1978, the County consistently has interpreted and implemented the term “ad valorem tax on real property” as meaning a compilation of all of the property tax rates, adjusted by their relation to the assessable base. The ad valorem tax always has been calculated in the County by adding each property tax rate, with each rate weighted in proportion to the amount of assessable base that the rate applies to. For example, if the FY21 Recreation Tax Rate is \$0.0260 and if the Recreation tax is collected on 87% of the total assessable base, then the Recreation tax weighted rate is \$0.02262. That weighted rate is added to all of the other rates (weighted using the same method) to get the “ad valorem tax on real property” for purposes of Section 305.

The Department of Finance uses the term “County Weighted Average Tax Rate” to refer to the “ad valorem tax on real property” (as calculated above) under Section 305. This rate is published each year in the budget. Since 2015, the “ad valorem tax on real property”, a/k/a “average weighted tax rate on real property” have been:

Fiscal Year	Average Weighted Tax Rate on Real Property Per \$100 of Assessed Value
2021	\$0.9785
2020	\$0.9786
2019	\$0.9814

2018	\$1.0012
2017	\$1.0264
2016	\$0.9870
2015	\$0.996

SUMMARY OF PUBLIC HEARING

At the public hearing on July 21, several speakers testified regarding proposed changes to Section 305.

- Rich Madaleno, on behalf of the County Executive, explained that the Executive supports the idea of eliminating the current revenue cap and replacing it with a supermajority vote requirement to raise the property tax rate. The Executive also has proposed limiting assessments for purposes of the Homestead Property Tax Credit, but in his testimony, he suggested deferring a discussion about the tax credit until the fall.
- Carol Stern, on behalf of Jews United for Justice, testified in support of the County Executive’s proposal and against the current revenue cap. She stated that the County needs additional resources for education, health, and other County needs.
- Diana Conway, on behalf of the Women’s Democratic Club; testified in support of eliminating the current revenue cap. She stated that under the current Section 305, burdens fall inequitably across the community. She supports the Executive’s proposal for a less than unanimous vote required to raise the tax rate.
- Additional individuals and organizations – including Tony Hauser, CASA, SEIU Health Care Workers East MD/DC, the Montgomery County Democratic Socialists of America, the MCCPTA, and Progressive Maryland – supported the Executive’s proposal and supported lifting the current revenue cap. Reasons to remove the cap included ensuring adequate resources for schools and preserving the County’s AAA bond rating.
- Robin Ficker spoke against the Council’s and the Executive’s proposals and in favor of a petitioned ballot question to prohibit any override of the current revenue limit. Under the proposal, property tax revenues (with certain exceptions such as revenues from new construction) would not be able to increase except at the rate of inflation.

GO COMMITTEE RECOMMENDATION

The Committee voted (3-0) to recommend adoption of the resolution with amendments to clarify the resolution.

1. Effect of the Proposal on the Property Tax Rate

Under the Charter amendment proposed by the GO Committee, the Council would need a unanimous affirmative vote in order to raise the “ad valorem tax on real property”, a/k/a “average weighted tax rate on real property” above the current rate of \$0.9785 per \$100 of assessed value.

2. Recommended Clarifying Amendments

As discussed above, the “ad valorem tax on real property” under Section 305 consistently has been interpreted, since the adoption of Section 305 in 1978, to have the same meaning as the “average weighted tax rate on real property” determined annually by the Finance Department – i.e., the sum of each property tax rate, with each rate adjusted by the proportion of assessable base that is charged that tax rate.

The proposed Charter amendment would not alter this decades-long interpretation and implementation of the tax rate at issue under Section 305. However, to make the calculation of the tax rate clear and transparent, the Office of the County Attorney – working together with Council staff – has proposed the following text for the description of the amendment and the ballot question.

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

* * *

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 Council shall not levy an ad valorem weighted tax rate on real property to finance the budgets that exceeds the ad valorem weighted tax rate on real property approved for the previous year. The weighted tax rate is calculated by determining the sum of each property tax rate adjusted by the proportion of assessable base that is charged that tax rate. [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]

Question A

Charter Amendment by Act of the Council

Property Tax Limitation

Amend Section 305 of the County Charter to prohibit the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved for the previous year, unless all current Councilmembers vote affirmatively for the increase.

This amendment would replace the current property tax limit, which requires an affirmative vote of all current Councilmembers to levy a tax on real property that would produce total revenue that exceeds the total revenue produced by the tax on real property in the preceding fiscal year plus any increase in the Consumer Price Index. The current property tax limit exempts real property tax revenue derived from (1) newly constructed property; (2) newly rezoned property; (3) certain property assessed differently under State law; (4) property that has undergone a change in use; and (5) property in a development tax district to provide funding for capital improvements.

FOR AGAINST

The GO Committee (3-0) voted to amend the resolution to reflect the language above, as recommended by the County Attorney and Council staff.

NEXT STEPS

Determine whether to adopt Resolution, Proposed Charter Amendment – Property Tax Limit – Limit Tax Rate Increases, as amended by the GO Committee.

This packet contains:

	<u>Circle #</u>
Resolution	©1
Testimony of the County Executive	©4
Public Testimony	©7
Examples of Tax Limits in Other Jurisdictions	©11

Resolution No.: _____
Introduced: July 14, 2020
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsors: Councilmember Friedson, Council President Katz, and Councilmember Navarro
Co-Sponsors: Councilmembers Albornoz, Rice, and Riemer

SUBJECT: Proposed Amendment to 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 not later than the 95th day before the general election. 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 Council intends to submit for inclusion on the 2020 general election ballot:

Question A: Property Tax Limit – Limit Tax Rate Increases, which would amend §305 of the Charter.

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 questions, the following Charter amendment must be placed on the 2020 general election ballot:

A

Property Tax Limit – Limit Tax Rate Increases

The County Council proposes 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 Council shall not levy an ad valorem average weighted tax rate 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] exceeds the ad valorem average weighted tax rate on real property approved for the previous year.

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

Question A

Charter amendment by act of County Council

Property Tax Limit – Limit Tax Rate Increases

Amend Section 305 of the County Charter to prohibit the County Council from adopting an average weighted tax rate (per \$100 on assessed value) on real property that exceeds the average weighted tax rate (per \$100 on assessed value) on real property approved for the previous year, unless all current Councilmembers vote affirmatively for the increase. This limit on tax rate increases would replace the current property tax limit, which requires an affirmative vote of all current Councilmembers to levy an ad valorem tax on real property that would produce total revenue (not including certain enumerated types of 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.

FOR AGAINST

This is a correct copy of Council action.

Approved as to form and legality:

Selena Mendy Singleton, Esq.
Clerk of the Council

Marc P. Hansen
County Attorney



**OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850**

Marc Elrich
County Executive

TESTIMONY BY COUNTY EXECUTIVE MARC ELRICH
on proposals to amend Section 305 of the Montgomery County Charter

July 21, 2020

As we address the immediate needs of our residents and plan for the future, one thing has become abundantly clear - our county government's fiscal structure has reached the breaking point and must be fundamentally altered. Quite frankly, our charter manufactures austerity to create a system that is broke on purpose. It leaves our residents and our business community with the false perception that we cannot manage our resources. And while our neighbors in the region focus on what future they want to build for their communities, our charter prevents us from tackling a range of issues from the opportunity gap in our schools to quality infrastructure, affordable housing, and adequately funded reserves. Over the past year, I have been making the case for changing our charter, and I am grateful that this Council is ready and willing to join me.

Our County Charter includes a provision that limits the growth in property tax revenue - not property tax rates - to the growth in the Consumer Price Index (CPI) for all consumers in the Baltimore-Washington Region from the December 1 to November 30 of the preceding year. Since the Federal Government no longer publishes this index, we have been using the CPI for just the Washington Region. For the period of December 1, 2018, to November 30, 2019, the CPI for the Washington region was only 1.27 percent. No matter how much assessments increased and no matter how much we succeeded in growing our tax base, the total amount of property tax revenues could not grow by more than 1.27 percent for the current fiscal year.¹

¹ It is slightly above inflation rate because the current charter allows certain exemptions: (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. In practice though only new construction has been added, and only part of that. Because new property assessments are phased in over three years on tax bills, the practice has been to only add the first year's amount on to the additional taxable base. And with some new construction, it is only a partial first year so it is less than 1/3.

It is important to note that the charter's revenue limit does not mean the average property tax bill will only increase by 1.27 percent. Quite the opposite. Most individual bills will increase (or decrease) by the change in one's taxable assessment. Since county law limits growth in assessments to 10 percent in any given year, a property with such an increase in value will see its tax bill go up by roughly 10 percent. The charter revenue limit only redistributes the tax burden from properties with little to no increased value to those properties with the greatest increase in value. This has meant that some residents in modestly priced homes have faced 10 percent increases while some high-value properties actually saw their tax bill cut. Furthermore, the existing charter limit does not allow the County to benefit from increased economic growth – to expand the economic pie - while having to pay the costs of the increased growth.

When the County Council proposed to the voters our current charter limit on property taxes in 1990, few people could have foreseen the dramatic changes that would take place in Montgomery County and around the globe. In the past 30 years, our school population has grown by 65 percent and our overall population has grown by 40 percent. The services we provide are now more complex and seek to address a range of challenges, from traffic congestion and climate change to health care disparities and linguistic diversity. And over the same time period, our property tax rate has declined by 35 percent.

We have all witnessed other local governments regionally and nationally experience generational decline due to conflicting, irreconcilable fiscal policies. Montgomery County is at the precipice of such a decline if we cannot get ourselves out of this cycle of self-enforced structural deficits and an inequitable, unpredictable revenue cap.

To address this issue, I called for a change in the charter when I released my recommended budget on March 16th and submitted a formal proposal for an amendment that will revise our fiscal policy.

First, my proposal calls for the elimination of our three-decade old, cumbersome revenue cap, and I am glad that the Government Operations Committee has unanimously recommended this approach. Second, my proposal also contains a three percent cap on the increase in any homeowner's taxable assessment. Fortunately, state law provides the Council with the ability to enact this cap through the existing Homestead Property Tax Credit program by a simple resolution. I am pleased that you have expressed interest in this policy and want to have further conversation about its potential to benefit our homeowners. Therefore, I would propose we put that issue aside for additional discussion in the Fall.

Finally, I propose that the charter require a super-majority of two-thirds of the council for any change in any property tax rates. The County's property tax is composed of several different taxes; some impact all properties while others have a special purpose or limited scope. I am concerned that a unanimous consent requirement for any change in any of these rates, especially the special purpose property taxes, would only continue to limit our ability to respond to emergencies or opportunities.

Like you, I have often heard that we in Montgomery County need to be more like Northern Virginia in order to increase our competitiveness in attracting business investment. What many

residents and observers may not know is that our colleagues in Northern Virginia are quite aggressive in using special purpose districts to supplement their effort to grow their communities. For example, Fairfax County has authorized special purpose taxes in Tysons that add 55 cents to the Fairfax's general property tax rate, which stood at \$1.14 per \$100 in taxable value this year. This combined tax rate is 60 cents higher than the combined state/county rate in Montgomery County. These special taxes in Tysons help pay for road improvements, the Silver Line, and operations of the business district. These types of special purpose taxes allow Fairfax County to quickly improve infrastructure without the need for high upfront impact taxes. A charter freed from our unusual revenue cap and from a unanimous consent requirement would allow us to work with our state government to craft a tax policy that competes with Northern Virginia and the District of Columbia.

Once again, I applaud your willingness to respond to the concerns of our residents and to join me in forwarding to our voters a critical change to our charter.



MONTGOMERY COUNTY, MARYLAND
WOMEN'S DEMOCRATIC CLUB

Proposed Charter Amendment – Property Tax Limit – Limit Tax Rate Increases

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

SUPPORT IN PRINCIPLE

Thank you for this opportunity to submit written testimony to the Montgomery County Council concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)**. WDC is one of the largest and most active Democratic Clubs in our County with more than 600 politically active women and men, including many elected officials.

WDC supports amending Section 305 of our County Charter. We support the intent of both the County Council and the County Executive to shift the limiting principle on property taxes from a cap on total revenues collected, to a cap on tax rate increases.

WDC urges the County Council and the County Executive to find common ground among their two proposals to correct the structural deficit created in 1990 by Section 305. WDC opposes the petitioned ballot initiative to completely eliminate the ability of the Council to override the current revenue limit under Section 305.

Since the original Charter measure was adopted 40 years ago our County has grown dramatically in population, diversity, and complexity. Yet even as County needs have grown, the property tax rate has fallen by 35 percent due to the structural revenue cap imposed by Section 305. The current terms of our Charter bind the County to an obsolete model that guarantees a cycle of shrinking property tax revenues, structural deficits and revenue caps. A growing county is poorly served when a key source of revenues is guaranteed, at best, to remain flat. The few areas exempted from this revenue cap, like new construction, cannot keep pace with rising needs, particularly if the allowed rate of increase is depressed by low inflation. This is not tenable.

These are stubborn facts whose costs are felt in both the direct fiscal hit and the compounding impacts that hobble the County and fall inequitably across our community. The Covid-19 pandemic and its cascade of knock-on crises have crystallized the problem and made urgent the search for a solution.

In addition WDC asks that you approach with caution any requirement of unanimity for Council action. Giving absolute veto power to a recalcitrant member is not unlike the effect of Section 305. Straightjackets are not a sustainable solution for a changing world.



MONTGOMERY COUNTY, MARYLAND
WOMEN'S DEMOCRATIC CLUB

We urge the Council and County Executive to work collaboratively. By acting now, and together, to amend Section 305 you can protect property owners from unexpected increases in property values, and prevent the steady erosion of property tax revenues. Stable funding is critical to long-term planning and funding, and thus to building an equitable community with intention and vision.

There is no perfect solution, but there is ample room for improvement.

On behalf of our WDC membership, thank you again for your service in the midst of these times, and for taking up this thorny and difficult issue. By making a change to Section 305's cap on total revenues collected the County can end its structurally imposed fiscal spiral. You are to be commended for seizing the moment to address this structural defect and secure the financial stability to take care of our community.

Respectfully,

Diana Conway
President

UFCW Local 1994 MCGEO -**FOR**- Proposed Amendment to the County Charter – Property Tax Limit

July 21, 2020

Local 1994 stands in full support of the Proposed Amendment to the County Charter on Property Tax Limit submitted on behalf of the County Executive.

The current charter amendment limits the countywide property tax revenues to the Consumer Price index (CPI). This revenue cap has prevented the county from realizing the benefits of growth in property tax assessments and has prevented the county from making critical investments in infrastructure and county services. We are happy that there is broad agreement on the council that property tax revenues must be decoupled from the rate of inflation.

While the current charter limit caps revenue to the CPI, that cap does not apply to homeowners. Individuals may see their property taxes increased by up to 10%, even when the tax rate stays the same or decreases. The County Executive's proposal to reduce the cap for owner- occupiers from 10% to 3% protects middle class homeowners who have seen the most rapid rate of increase in property assessments but struggle the most to pay those tax bills. Moreover, when confronted with the arcane language of charter amendments on the ballot in November, it is also something that the voter can easily understand- *this amendment will lower the cap on tax increases on my home.*

We are also **strongly opposed** to an amendment that maintains the requirement for a unanimous council vote to raise the tax rate. It is fundamentally undemocratic and further legitimizes a Ficker Amendment that has hamstrung this County. The composition of this council may change drastically in future years and ceding power to a lone council member could lead this county off a fiscal cliff. Philosophically, we believe that a simple majority vote is all that should be required, but the supermajority threshold in this amendment strikes a fair compromise and one that we believe voters will endorse.

It is an understatement to say that these are uncertain times. This pandemic has underscored the need for vital county services. We desperately need investment in County infrastructure. The Council will need to ability to react quickly to the challenges that we will surely be facing and that is why this amendment is crucial.

Give voters a real alternative to the new Ficker Amendment.

On behalf of our 8000 members, we urge you to vote to place the County Executive's County Charter Proposal on the ballot.

I do not support the proposed amendment for the requirement of 9 council members to have to vote in favor. This will allow a single council member to extort the other 8 council members in times when raising taxes is the only option. This is utterly unacceptable. Also, if more council seats are added, having say 30 council members needed to vote would be next to impossible. This gives one council member possibly disastrous power.

This makes it next to impossible to fund government services for the residents by hamstringing tax increases when they are needed, especially with the massive amount of money the council is spending.

I support the 6 members with a limit on the owner-occupied taxes. This will help out the residents, not just the rich developers and is a much better option. This option is also vastly more progressive.

Many areas of the county are critically underfunded. The crime lab for example has huge turn over due to lack of staffing (need money for more positions), this results in cases being processed more slowly and things not running efficiently, because if you want things to run well, you need to pay for it. we have extremely dedicated staff, but when you're doing the work of 2 people because of staffing shortages or not enough positions, you get burnt out.

You all need to stop thinking about yourselves, developers, and your jobs after you leave office and think about the county residents.

PRINCE GEORGE'S COUNTY CHARTER

Section 812. - Tax Rate Limitation.

- (a) (1) Except as provided in this Section 812, the Council shall not levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979;
- (2) The Council may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed Two Dollars and forty cents (\$2.40) for each One Hundred Dollars (\$100.00) of assessed value.
- (b) In the event that any annual collection of real property taxes exceeds the limits set forth in this section as estimated in the annual budget projections, said excess shall be placed in the contingency fund, and, if not used during the current fiscal year, said excess will be included in the budget estimate for real property taxes in the following fiscal year.
- (c) In the event the County Council shall establish, pursuant to proper authority, any separate class of residential real property tax, then, and in that event, all other classes of real property taxes would be exempt from this section, and the total real property taxes on residential real property shall not exceed the total amount of taxes collected on residential real property in fiscal year 1979.
- (d) In accordance with the provisions of Section 9-105 of the Tax-Property Article of the Annotated Code of Maryland, on or before January 1 of each year, the County Council shall set, by law, the homestead credit percentage for the taxable year beginning the following July 1. The homestead credit percentage shall be no greater than 100% plus the percentage of increase in the Consumer Price Index for the previous twelve months, rounded to the nearest whole number, but not more than 105%.

(Petition ratified Nov. 7, 1978; CB-63-1984, ratified Nov. 6, 1984; CB-89-1992, ratified Nov. 8, 1994; Amended, CB-68-2002, ratified Nov. 5, 2002)

Editor's note— Section 7, Chapter 80, 2000 Laws of Maryland, provides that any limit on a local tax rate in a Charter provision that is expressed as a rate to be applied to an assessment of real property shall be construed to mean a rate equal to 40% times the rate stated in the Charter provision. Accordingly, the \$2.40 rate stated in Section 817B(a)(2) shall be construed to be \$.96

Former Section 817B was renumbered with minor amendments to be Section 812.