

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2015, Legislative Day No. 6

Bill No. 19-15

Introduced by Mr. Trumbauer, Mr. Smith and Mr. Walker


By the County Council, March 16, 2015

VETOED

Introduced and first read on March 16, 2015
Public Hearing set for and held on April 6, 2015
Bill Expires June 19, 2015

STEVEN R. SCHUH
COUNTY EXECUTIVE

By Order: Elizabeth E. Jones, Administrative Officer



4/15/15

A BILL ENTITLED

1 AN ORDINANCE concerning: Finance, Taxation and Budget – Revenue Reserve Fund
2
3 FOR the purpose of modifying the percentage and the class of revenue designated for
4 appropriation to the Revenue Reserve Fund; and generally related to the Budget.
5
6 BY repealing and reenacting with amendments: § 4-11-106(b) and (c)
7 Anne Arundel County Code (2005, as amended)
8

9 SECTION 1. *Be it enacted by the County Council of Anne Arundel County,*
10 *Maryland,* That Sections(s) of the Anne Arundel County Code (2005, as amended) read
11 as follows:
12

13 **ARTICLE 4. FINANCE, TAXATION, AND BUDGET**

14 **TITLE 11. BUDGET**

15 **4-11-106. Revenue Reserve Fund.**

16
17
18
19 (b) **Appropriation.** The budget as proposed by the County Executive and approved
20 by the County Council may contain an appropriation to fund the Revenue Reserve Fund
21 except that the amount of the annual appropriation to the Revenue Reserve Fund may not
22 cause the sum of the balance of the Revenue Reserve Fund plus the appropriation to
23 exceed an amount equal to [10% of the estimated average aggregate annual revenue
24 derived from the income tax, real property transfer tax, recordation tax, and investment

EXPLANATION: CAPITALS indicate new matter added to existing law.
[Brackets] indicate matter stricken from existing law.

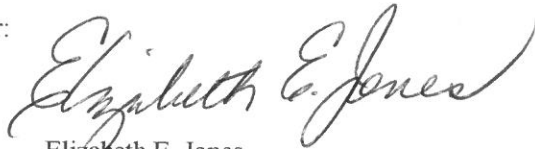
1 income of the General Fund in the three fiscal years preceding the fiscal year for which
2 the appropriation is made] 7.5% OF THE ESTIMATED GENERAL FUND REVENUES FOR THE
3 UPCOMING FISCAL YEAR.
4

5 (c) **Interest earnings.** Interest earnings of the fund shall be retained to the credit of
6 the fund except that the Controller may credit interest earnings of the Revenue Reserve
7 Fund to the General Fund if credited interest earnings cause the total amount of the fund
8 to exceed an amount equal to [10% of the estimated average aggregate annual revenue
9 derived from the income tax, real property transfer tax, recordation tax, and investment
10 income of the General Fund in the three fiscal years preceding the fiscal year for which
11 the appropriation is made] 7.5% OF THE ESTIMATED GENERAL FUND REVENUES FOR THE
12 UPCOMING FISCAL YEAR.
13

14 SECTION 2. *And be it further enacted*, That this Ordinance shall take effect 45 days
15 from the date it becomes law.

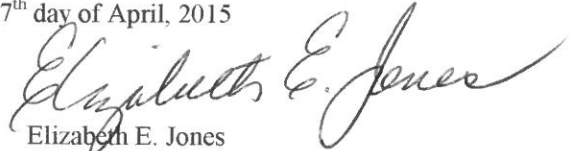
READ AND PASSED this 6th day of April, 2015

By Order:



Elizabeth E. Jones
Administrative Officer

PRESENTED to the County Executive for his approval this 7th day of April, 2015



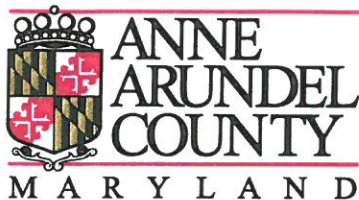
Elizabeth E. Jones
Administrative Officer

APPROVED AND ENACTED this _____ day of April, 2015

Steven R. Schuh
County Executive

EFFECTIVE DATE:

STEVEN R. SCHUH
County Executive



P.O. Box 2700 | Annapolis, Maryland 21404
(410) 222-1821 | countyexecutive@aacounty.org | www.aacounty.org

April 15, 2015

Anne Arundel County Council
Arundel Center, 1st Floor
44 Calvert Street
Annapolis, MD 21401

Re: Veto of Bill 19-15: Finance, Taxation & Budget – Revenue Reserve Fund

Dear Members of the Council:

Pursuant to Section 307(j) of the County Charter, I have vetoed the enclosed Bill 19-15 that was passed by the Council on April 6, 2015. I look forward to working with the Council to resolve our difference of opinion on this important issue.

Bill 19-15 changes the current formula for the County's Revenue Reserve Fund (Rainy Day Fund). Currently, this Fund may contain no more than 10% of the preceding three-year average of the revenue from the income tax, real property transfer tax, recordation tax, and investment income of the General Fund. Bill 19-15 would change the formula for the Revenue Reserve Fund to be no more than 7.5% of the estimated General Fund revenues for the upcoming fiscal year. Current law authorizes no more than approximately \$48 million for the Revenue Reserve Fund. Bill 19-15 would more than double this amount to approximately \$98 million.

I concur with the Council's efforts to increase funding of the Revenue Reserve Fund. However, Bill 19-15 goes too far. I vetoed Bill 19-15 because I believe there should be no more than 5% of General Fund revenue in the Revenue Reserve Fund. 5% of the current \$1.3 billion General Fund would mean approximately \$65 million in the Revenue Reserve Fund, which I believe would provide the County with adequate reserves to manage through an economic downturn. Dedicating 7.5% of the County's General Fund revenue could lead to a situation where future County Executives or County Councils overtax our citizens and stockpile taxpayer dollars. A 7.5% overall General Fund allowance would defeat the original purpose of the framers of the Charter to disallow hoarding of tax payer funds. I do not believe the County needs to double the Revenue Reserve Fund.

As I have now vetoed Bill 19-15, I will be introducing my own bill that will authorize the County to invest up to 5% of the General Fund in the Revenue Reserve Fund. I look forward to working with the Council to pass this legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. R. Schuh", written over a white background.

Steven R. Schuh

"Anne Arundel County: The best place to live, work and start a business in Maryland."