



Gregory J. Swain, County Attorney

MEMORANDUM

To: Members, Anne Arundel County Council

From: Lori L. Blair Klasmeier, Deputy County Attorney /s/

Via: Gregory J. Swain, County Attorney /s/

Date: October 7, 2019

Subject: Bill No. 79-19 – Current Expense Budget – Supplementary Appropriation – South River Manor Special Community Benefit District

Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 79-19, which appropriates funds for the South River Manor Special Community Benefit District.

Purpose. The purpose of Bill No. 79-19 is to appropriate certain funds requested by the South River Manor Civic Association, Inc. for expenditure in accordance with the purposes of the district.

Background. A special community benefit district (or “SCBD”) is a geographical designation for a group of contiguous properties (generally in a subdivision) that are assessed for designated purposes. There are more than 70 SCBDs in Anne Arundel County. Most of these SCBDs have been formed through a petition process in which more than half of the owners of the properties to be included in the district have agreed to be taxed for the purposes identified in the petition.¹ The petition also designates the method of taxation (basically, uniform assessment versus uniform rate of assessment) and the civic or community association that will administer the SCBD funds. If the owners of a majority of the properties in the proposed district sign petitions in favor of the formation of the SCBD, the petitions are submitted to the County’s Office of Budget, and the legislative process to create the district is started. The boundaries, purposes,

¹ The oldest districts were not formed through the petition process, but evolved from road districts that predated Charter government in the County.

administering entity, and method of taxation are codified in §§ 4-7-204 and 4-7-205 of the County Code.

Each year that an SCBD desires to collect or expend funds, the civic or community association administering the SCBD funds must submit a budget to the Office of Budget in accordance with deadlines in the Code and guidelines provided by the Office of Budget. Funds to be expended for each SCBD are appropriated through the County's Annual Budget and Appropriation Ordinance ("ABAO"), and funds that are not appropriated cannot be expended. This includes community-held fund balance. Any funds in the community association's possession at the end of a fiscal year need to be appropriated to be expended during the following fiscal year. There is a separate ordinance that sets the tax rate for each district for the upcoming fiscal year.

There is a South River Manor Special Community Benefit District, as described at § 4-7-204(nnn) of the County Code. The district funds are administered by the South River Manor Civic Association, Inc.

South River Manor Civic Association, Inc. failed to submit a budget for the SCBD in a timely fashion. No appropriation for the SCBD was included in the ABAO, and, therefore, no tax was levied to collect funds for the SCBD. In April of 2019, the South River Manor Civic Association, Inc. submitted a budget request in the total amount of \$13,141.88 for maintenance and improvement of community property. The community association identified \$8,641.88 in community-held fund balance and budgeted \$8,916.88 for maintenance and improvement of community property. The additional \$4,500 requested by the community association was budgeted as "funds held".

To avoid a mid-year and off-cycle tax levy, the community association has agreed to an appropriation of its community-held fund balance of \$8,641 for fiscal year 2020 for the purpose of maintenance and improvement of community property.

Section 712 of the County Charter authorizes the County Council, upon the recommendation of the County Executive, to make supplementary appropriations from revenues received from sources not anticipated in the budget or from revenues received from anticipated sources but in excess of budget estimates for the current fiscal year, provided that the Controller shall first certify in writing that the funds are available for appropriation. The \$8,641 of supplementary appropriations requested on behalf of the South River Manor Special Community Benefit District is from sources not anticipated in the County Fiscal Year 2020 budget. The County Executive has recommended the supplementary appropriation, and the Controller has certified that the funds are available for appropriation.

Summary of Bill No. 79-19. Section 1 of the Bill appropriates \$8,641 for expenditure by the South River Manor Civic Association, Inc. consistent with the purposes of the South River Manor Special Community Benefit District.

Section 2 provides that, in accordance with Charter Section 307(i), the bill will take effect from the date it becomes law.

Please let me know if there are any questions.

cc: Steuart Pittman, County Executive
 Jennifer Purcell, Chief of Staff
 Benjamin J. Birge, Chief Administrative Officer
 Peter Baron, Legislative Liaison
 Jim Beauchamp, Budget Officer
 Karin McQuade, Controller