



**Committee:** Directly to Council  
**Committee Review:** N/A  
**Staff:** Christine Wellons, Legislative Attorney  
**Purpose:** To introduce agenda item – no vote expected  
**Keywords:** #PropertyTaxLimit

AGENDA ITEM #3K  
 July 14, 2020  
**Introduction**

**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 Alborno, Rice, and Riemer

**EXPECTED ATTENDEES:** N/A

**COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION:** N/A

**DESCRIPTION/ISSUE**

The resolution would place on the 2020 general election ballot Question A regarding whether to 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.

Under this amendment, if approved by the voters, the Council would need a unanimous affirmative vote in order to raise the average weighted tax rate on real property above the current rate of \$0.9785 per \$100 of assessed value. For historical context, the County’s average weighted tax rates on real property since 2015 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 KEY DISCUSSION POINTS:** N/A

**This report contains:**

Resolution

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Resolution No.: \_\_\_\_\_  
Introduced: July 14, 2020  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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

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**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:

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Selena Mendy Singleton, Esq.  
Clerk of the Council

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Marc P. Hansen  
County Attorney