2014 Eastern Shore Local Government Exchange

Summary of the 2014 Legislative Session
The Budget

FY 2015 Operating Budget
- Grew by 4.3% to $38.9 billion
- Aid to Local Governments increased 2.7% or $205.1 million
- But direct aid to counties and municipalities Decreased by 1.0% or $5.6 million
- Eastern Shore Counties mostly saw increases in State Aid (counting education funding)
The Budget

- Highway User Revenues (HUR)
  - HB 1067/SB 664 – Partial HUR Restoration (MACo Initiative)
  - $10 million for county pothole repair in budget
  - $16 million for municipalities
  - HB 1059 – Local Government Reporting on HUR
  - HB 1331/SB 765 – Increased Local Share of Motor Fuel Tax and HUR
  - SB 629 – Vehicle Registration Fee Local Surcharge
FY 2015 Capital Budget

- Totals $3.95 billion
- Includes $182.5 million in General Obligation (GO) bonds for operating budget relief
- $275 million in GO bonds for school construction
- SB 218 - $4.6 million in Qualified Zone Academy Bonds
- HB 232/SB 727 – lowers prevailing wage threshold for school construction project to 25% State funding

State Debt Limits – Less flexibility to shift operating costs into capital budget going forward
Taxes and Revenues

Key Legislation

- HB 742/SB 600 – Regional Institution Strategic Enterprise (RISE) Zone Program
- SB 605 – Commercial Structure Rehabilitation
- HB 950 – Charitable Use Change and Exemption
- HB 510 – Sustainable Communities Tax Credit Program

Maryland State Comptroller of the Treasury v. Brian Wynne Case

- MD Court of Appeals held state’s practice of not crediting taxes paid to other states to the local government portion of Maryland’s taxes was unconstitutional and locals must retroactively refund
- Budget language set interest rate on repayments to average prime rate
Labor & Employment

Elections

Public Information & Ethics

- Labor & Employment
  - HB 295 – Minimum Wage
- Elections
  - HB 827 – Campaign Finance Reports for Municipal Elections
  - HB 25 – No Excuse Absentee Voting for Municipal Elections
- Public Information & Ethics
  - HB 658 – State Public Information Act Compliance Board
  - HB 157/SB 847 – Public Meeting Agendas
Environment & Land Use

HB 11 - Use of Bay Restoration Fund (BRF) monies to connect failing septic systems to wastewater treatment plants (MACO Initiative)

HB 12 - Use of BRF monies to administer Best Available Nitrogen Removal Technology (BAT) for septic systems

HB 1312 – Access to Program Open Space Sites

SB 781 – Special Event Recycling

Stormwater Fees – Language in Budget Reconciliation and Financing Act

HB 937 – Equitable Distribution of Funding to Wastewater Treatment Plants

Other Legislation – Zero Waste, Plastic Bags, Bottle Deposits
Public Safety

Bail Reform

- Potential “budget bomb” for counties and possibly some municipalities
- *Richmond v. DeWolfe* holding – indigent defendants entitled to representation at their initial bail appearance before a commissioner
- Operating Budget Amendment - $10 million for panel attorneys with any overages covered by counties

- HB 365/SB 254 – Firefighter Funding
- HB 308/SB 338 – Statewide Interoperability Radio Control Board (MACo Initiative)
2014 Interim

Accounting for Growth
- Water Pollution Offsets for New Growth
- Separate Phosphorus Offsets Could Be Very Costly
- Waiting for Final State Proposal

Zero Waste
- 80% Recycling/85% Waste Diversion Goals by 2040
- Maryland Department of the Environment Draft Plan
- Will Require Counties, Municipalities, Commercial, Retail Sectors and General Public to “Step Up”

Infill, Redevelopment & Revitalization (IRR) Policy
- Studied by Maryland Sustainable Growth Commission

Workgroup to Streamline Assessment Process for Property Taxes
Contact Information

Leslie Knapp Jr.
Legal and Policy Counsel
Maryland Association of Counties
lknapp@mdcounties.org
Phone: 410.269.0043