

## MACo 2021 LEGISLATIVE SESSION SNAPSHOT

## RESULTS



**24 COUNTIES, 1 VOICE**

County jurisdictions direct ALL MACo positions through weekly meetings  
[www.mdcounties.org](http://www.mdcounties.org)

## METHODS

**736**



**471**  
Policy Blog  
Articles Written

& viewed by  
**94K**  
readers



Delivered  
**291**  
pieces of  
testimony



**336K**  
Twitter  
Impressions

Participated in  
**280x**  
Virtual Meetings



**79% Success Rate**  
Bills that reached MACo's desired outcome



**Accelerated Broadband Build-Out**



**Delivered Front-Line Public Health Resources**



**Defended County Budget Security**



**Protected \$10.2M in Disparity Grant Funding for Local Services**



**Kept Environmental Rules Smart & Effective**

### Introductions

Michael Sanderson, Executive Director, Maryland Association of Counties (MACo)

Wilbur Levengood, MACo President, Commissioner, Caroline County

### Session 2021 Recap

*Education, Public Safety, Health, Employer Issues*

*Fiscal, Emergency Services, Elections*

### Upcoming Events:

*MACo Winter Conference- December 8-10, 2021*



# Finally, Final County-by-County Census Data

Kevin Kinnally September 3, 2021 County News / Feature / General Assembly News / Housing and Community Development / NACo and Federal Issues / News You Can Use / Planning and Zoning

The Maryland Department of Planning this week released its adjusted 2020 Census numbers, paving the way for district drawing commissions to draw new boundaries in time for next year's midterm elections.



While the Census data was released to all states on August 12, 2021, Maryland is one of nine states required by state law to reallocate incarcerated residents to their last known address. By incorporating this adjusted Census data into the portal, residents can now begin creating their own redistricting maps.

According to a [press release](#):

*The [map submission portal](#), loaded with the adjusted data and including [detailed instructions](#) on how to submit a map, is now live. Map submissions will be reviewed by the Maryland Citizens Redistricting Commission (Citizens Commission) prior to their drawing of the maps if received by Friday, September 24 at noon. Additional submissions after the Citizens Commission has drawn their maps will also be accepted during the Round 3 meetings in October. Information on map submissions can be found at [redistricting.maryland.gov](http://redistricting.maryland.gov).*

*The summary population data for all Maryland counties and Baltimore City can be found [here](#). The full data released by the U.S. Census Bureau for Maryland can be found [here](#).*

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The U.S. Constitution places the Census at the foundation of our democracy by calling for a count of the nation's residents every 10 years. The Census results determine the number of seats each state will have in the U.S. House of Representatives, and the data is critical for drawing congressional, state, and local legislative districts.

Moreover, Census data drives billions of dollars in federal funding for education, health, transportation, housing, community services, and job training. Moreover, businesses and industries decide where to locate new facilities and services based on Census data, creating new jobs and promoting economic growth.

An accurate Census count has a lasting effect on counties, particularly regarding the distribution of federal funds. Conversely, an under-counted population may lead to a significant decline in federal funding flowing to county governments or county residents.

In Maryland, the General Assembly has principal authority to draw both congressional and state legislative district lines.

The governor, aided by an advisory commission, submits a state legislative redistricting proposal. The legislature may pass its own plan by joint resolution. If the legislature fails to approve its own plan, the governor's plan takes effect. Congressional lines are drawn solely by the legislature.

On a [recent episode of the \*Conduit Street\* Podcast](#), Kevin Kinnally and Michael Sanderson explain the significance of new 2020 Census data for state and local redistricting, break down the nuts and bolts of Maryland's redistricting process, and detail key timelines in the scramble to draw new boundaries in time for next year's midterm elections.



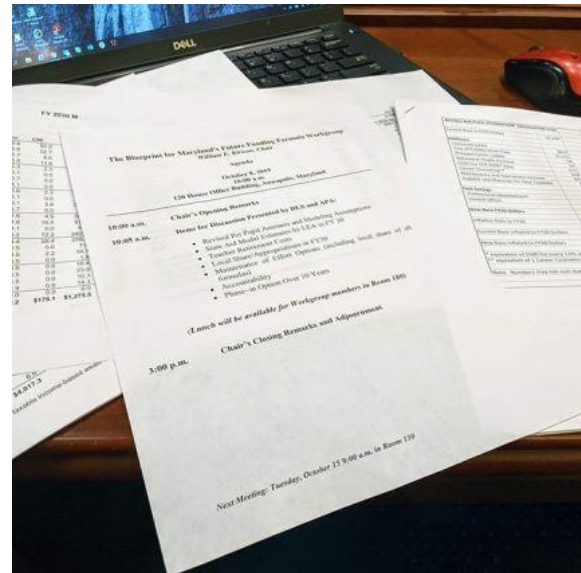
# Huge Cache of Kirwan Blueprint Data Now Available

[Michael Sanderson](#) September 9, 2021 Education / State Budget and Fiscal Issues

**The Department of Legislative Services has posted a sizable set of data and background information relevant to the Kirwan Blueprint plan and legislation, including additional details on its fiscal effects and underlying assumptions.**

DLS, the nonpartisan staffing agency to the General Assembly, provides budget analyses and prepares “fiscal notes” on pending legislation, and offers professional staff support to the legislative functions. DLS staff played a major role in coordinating the fiscal estimates and information supporting the work of the Kirwan Commission, followed by the legislation arising from its recommendations.

This week, an additional wave of documents and data is publicly available to Kirwan stakeholders—available on the Education section of the DLS webpage:



## Blueprint for Maryland's Future

Updated Fiscal Note Appendices

- [Appendices A through H](#)

Modeling Assumptions

- [Enrollment and Wealth Projections](#)
- [Pre-Blueprint Projected Maintenance of Effort \(MOE\)](#)
- [Pre-Blueprint Projected Total Local Appropriations](#)
- [Per Pupil Funding Formula Amounts for Major State Aid Programs Under the Blueprint](#)

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#### Fiscal Effects

- [Direct State Aid Under the Blueprint by Program](#)
- [Projected Direct State Aid Under the Blueprint](#)
- [Blueprint Projected MOE and Change in Projected MOE](#)
- [Blueprint Projected Total Local Appropriations](#)
- [Local Effort Estimates](#)

For more reading on the Blueprint legislation, [see previous Conduit Street coverage](#).



# Broadband Task Force: High-Speed Internet Is Essential For All Counties

Kevin Kinnally July 12, 2021 County News / Information Technology / NACo and Federal Issues / News You Can Use / Summer Conference

Throughout America's history, the most prosperous communities and people thrived based on their proximity to infrastructure, like rivers, railways, roads, and airports. Today, reliable, fast, and affordable high-speed internet is as fundamental as acquiring electricity in the first half of the 20th century.



A new report from the National Association of Counties (NACo) Broadband Task Force highlights significant gaps in broadband access, barriers to filling said gaps, and charts a path forward for counties to address the digital divide.

Montgomery County Council Member Craig Rice serves as co-chair of the task force, which includes nearly three dozen county government officials from across America and is focused on the challenges and opportunities facing underserved communities and the intersection of public and private sectors' efforts to deploy broadband. Its goal is to create a blueprint for governments working to bridge the digital divide.

According to a [NACo press release](#):

*Recognizing the complexities of this charge, the task force focused on four primary areas of work: (1) Preparing for Broadband, (2) Barriers to Buildout, (3) Digital Divides, Digital Disparities, and (4) Future-proofing and the "Glocal" Economy. Each group was asked to make recommendations based on short-term, intermediate, and long-term goals.*

At the MACo Summer Conference Tech Expo, an expert panel will discuss an expert panel will highlight current state and federal funding opportunities to expand

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broadband access, along with next steps needed to deliver high-speed internet to all Marylanders.

The “Closing the Digital Divide: Maryland Takes the Lead” session, hosted by MACo’s Information Technology Affiliate, will be held Wednesday, August 18, 2021; from 2:30 pm – 3:30 pm.

The MACo Summer Conference will be held August 18-21 at the Roland Powell Convention Center in Ocean City, Maryland. This year’s theme is “*Resilient. Responsive...Ready.*”

**Learn more about MACo’s Summer Conference:**

- [Full Schedule Details and Attendee Registration Pricing](#)
- [Attendee Online Registration](#)
- [Exhibitor Pricing and Online Registration](#)
- [Sponsorship Brochure](#)
- [Golf Tournament Details](#)
- [Discounted Hotel Room Rates](#)
- [Conduit Street Blog Coverage](#)
- [#MACoCon on Twitter](#)
- [Questions? Contact Virginia White](#)

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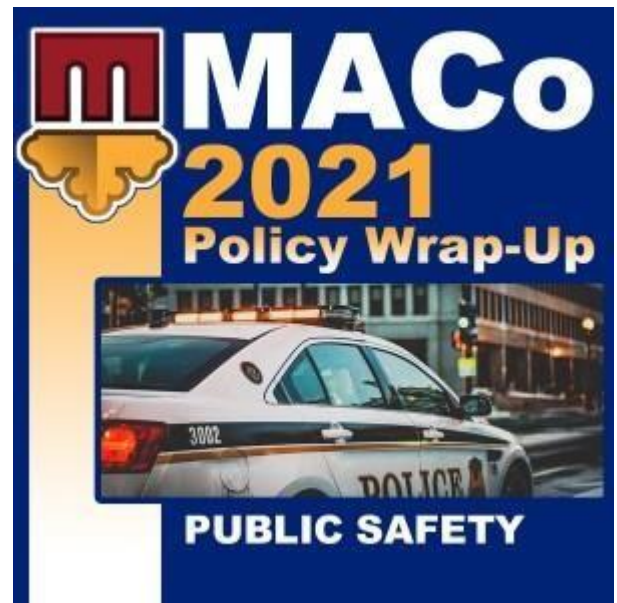


## 2021 End of Session Wrap-Up: Public Safety & Corrections

*An overview of MACo's advocacy on public safety & corrections legislation in the 2021 General Assembly.*

Counties are the primary provider of public safety services in the state. Each county is required to have an elected sheriff and some also have a county police force. Additionally, each county operates a local jail that holds inmates awaiting trial and those sentenced to 18 months or less.

This year the Maryland General Assembly conducted a legislative session unlike any other due to the enduring COVID-19 pandemic. The unique circumstances surrounding the 442nd legislative session, including necessary health and safety measures, posed a challenge for lawmakers and advocates alike. Despite the unusual circumstances, MACo's advocacy still led to more positive outcomes for its members.



For more information on Maryland's response to the COVID-19 pandemic visit MACo's [COVID-19 resource page](#).

*Follow links for more coverage on [Conduit Street](#) and [MACo's Legislative Tracking Database](#).*

### Public Safety



MACo members voted to oppose legislation that would require every law enforcement agency to equip officers with body cameras by October of 2021. Counties felt that this timetable was too rushed for multiple reasons. The reasons that counties presented were that amount of labor and time that goes into "opening" documents for inspection under Maryland's Public Information Act, and the storage and maintenance and storage of documented footage would prove challenging. *Public Safety – Law Enforcement – Body-Worn Cameras* did not advance in the 2021 General Assembly

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following its public hearing. A more measured effort, giving until 2025 for camera implementation, was passed as part of the broader police reforms in HB 670. [Bill Information I](#) [MACo Coverage](#)



MACo supported legislation that would have updated laws regarding traffic safety technology when applied to rental vehicles. Currently, when short-term rental vehicles run a red light the rental agency is billed the ticket rather than the vehicle driver. This bill seeks to change the law so that the driver who committed the violation is billed the ticket and held accountable rather than the local business. Unfortunately, *Traffic Control Signal Monitoring Systems – Exclusion of Vehicle Rental Companies – Repeal and Notification Requirement* did not advance out of committee following its public hearing. [Bill Information I](#) [MACo Coverage](#)

## Pretrial Services



MACo supported legislation that extends a grant program designed to promote locally-supported pretrial release programs, and also add the condition that continued receipt of state funding depends upon jurisdictions discontinuing practices of billion program participants. During prior-year legislative hearings, bill sponsors and committee members have expressed concern over local jails and their vendors, in some cases, charging pretrial defendants to help offset costs of their alternative arrangements. This bill proposes to merge these two related ideas – extended the beneficial state funding, but to condition access to it upon elimination of such fees. *Public Safety – Pretrial Services – Program Grant Fund – Extension and Program Requirements* passed both chambers and is awaiting the Governor's signature. [Bill Information I](#) [MACo Coverage](#)



MACo asked for amendments to a bill that would address fees for home monitoring services. MACo had supported similar legislation that had used a balanced approach to solve this problem for the more limited realm of pretrial release, whereas this bill lacked incentives for eliminating these fees. Local corrections suffer a deluge of effects, each compounding the costs of delivering their services. County budgets being strained by a variety of priorities for their residents in addition to combating the current public health crisis, creating a scarcity of financial resources. Utilizing an incentive-based approach could help to mitigate any financial issues counties may face when eliminating pretrial service fees. *Maryland Criminal Justice Debt Elimination and Prevention Act of 2021* did not advance in the 2021 General Assembly following its public hearing. [Bill Information I](#) [MACo Coverage](#)

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## Correctional Facilities and Services



MACo members voted to oppose legislation that limits the manner in which counties may operate their local detention facilities in regards to federal immigration detention. This bill imposes stringent limitations on local government autonomy that have significant consequences on the ability to manage local jail operations. *Correctional Services – Immigration Detention – Prohibition (Dignity Not Detention Act)* passed both chambers and awaits the Governor's signature. [Bill Information](#) | [MACo Coverage](#)



MACo members voted to oppose legislation that would have imposed untenable mandates on local correctional centers to expand beyond their intended capacity and functions to ensure proper care for inmates kept in restrictive housing. Local jails simply lack the proper facilities and staff expertise to deliver appropriate mental health care and screenings, whereas State facilities do but lack the space to treat all unwell inmates. This bill places these full expectations onto local facilities while they lack the resources to fulfill them. *Corrections – Restrictive Housing – Serious Mental Illness* did not advance in the 2021 General Assembly following its public hearing. [Bill Information](#) | [MACo Coverage](#)



MACo supported legislation that proposed a revised and realistic framework for State reimbursement for inmates sentenced by State courts to serve sentences in local detention facilities. MACo offered an amendment to set current funding levels, which is a \$45 reimbursement rate, as a statutory floor which would remedy the potential backward effect in some local facilities. This bill sets the State reimbursement at half the actual costs of inmate care and empowers the State and individual counties to reach a memorandum of understanding to establish an alternative to that default payment scheme. *Correctional Services – Payment by State - Inmate Housing Costs* did not advance in the 2021 General Assembly following its public hearing. [Bill Information](#) | [MACo Coverage](#)



MACo supported legislation that proposed to create a system to relocate State prisoners to their “home” jurisdiction’s detention facility during the days prior to their release. MACo offered amendments to grant the host facility’s governing body approval over such arrangements and their details. By relocating inmates to their “home ” jurisdiction that are soon to be released there is an increased likelihood that family and familiar contacts will offer a more readily available landing for them. *Correctional Services – Inmate Release* did not advance in the 2021 General Assembly following its public hearing. [Bill Information](#) | [MACo Coverage](#)

## Tenants and Landlords



MACo supported legislation with amendments that sought to prevent an unprecedented wave of tenant evictions in the wake of the COVID-19 pandemic. MACo agrees with the need to support local efforts to stem the effects of eviction moratorium with the use of appropriate federal or state funds that is incorporated into this bill. However, the implementation of these responsibilities by local Sheriffs is unwise as it may lead to a significant increase in staff time and financial commitment, at the expense of local governments, to working on eviction issues. *COVID-19 Eviction and Housing Relief Act of 2021* passed the House but did not pass the Senate prior to the end of the 2021 Legislative Session. [Bill Information](#) | [MACo Coverage](#)



MACo supported legislation with amendments that would have prohibited a landlord from using a lease or form of lease that contains a provision that prohibits, limits, or penalizes a tenant of another individual for reasonably summoning the assistance of law enforcement or emergency services. This bill would have placed a mandate on local governments, which had the potential to be costly and burdensome to local governments who are already strained due to the impact of the COVID-19 pandemic. *Real Property – Emergency Services and Nuisance Actions* did not advance in the 2021 General Assembly.  
[Bill Information](#)

For more information on public safety & corrections legislation tracked by MACo during the 2021 legislative session, click [here](#).

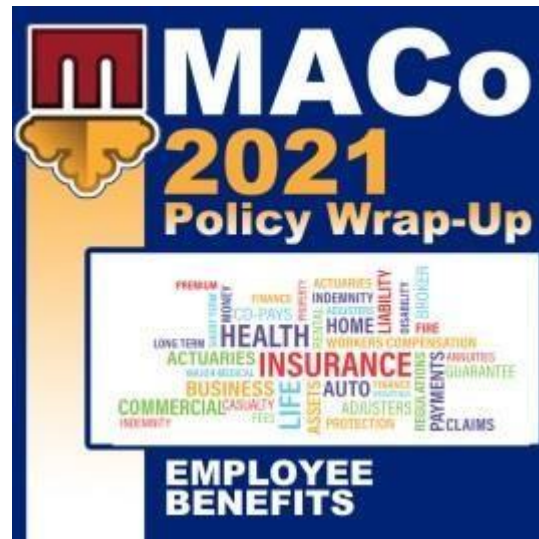


# 2021 End of Session Wrap-Up: Employee Benefits and Relations

*The segments below provide a brief overview of MACo's work in the area of employee benefits and employee relations in the 2021 General Assembly.*

MACo advocates for fair state laws governing employment practices, labor representation, and employer-employee relationships. MACo becomes particularly engaged when a proposal has a disproportionate or unique effect on public sector employees – frequently those affecting public safety employees or other public workers who engage in sensitive and essential functions.

This year the Maryland General Assembly conducted a legislative session unlike any other due to the enduring COVID-19 pandemic. The unique circumstances surrounding the 442nd legislative session, including necessary health and safety measures, posed a challenge for lawmakers and advocates alike. Despite the unusual circumstances, MACo's advocacy still led to more positive outcomes for its members.



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*Click links for more coverage on [Conduit Street](#) and [MACo's Legislative Tracking Database](#).*

## Prevailing Wage



MACo opposed legislation that expanded the application of the State's prevailing wage law to projects where even the smallest share of funds are from the State, instead of the current 50% applicability. The bill was amended to apply to public work projects for which the State constitutes at least 25% of the construction costs and passed both chambers. Governor Hogan vetoed the legislation during the 2021 Session, therefore allowing the General Assembly to override the veto. [Bill Information](#) | [MACo Coverage](#)

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## Labor and Employment

MACo opposed numerous pieces of legislation that would have created several new programs and employer mandates on counties due to the COVID-19 pandemic.



MACo opposed the *Labor and Employment – Employment Standards During an Emergency (Maryland Essential Workers' Protection Act)*, which as introduced would have required counties to pay additional hazard pay, implement a new program for bereavement and health leave, reimburse employee healthcare costs, and allow employees the right to refuse to work. The bill was heavily amended – strongly easing county concerns – to eliminate hazard pay provisions, ensure health leave only applies prospectively and includes verification, narrowing the scope of who/what an essential worker is, and conforming the right to refuse provision to existing language under law. The *Labor and Employment – Employment Standards During an Emergency (Maryland Essential Workers' Protection Act)* passed the General Assembly and awaits the Governor's signature. [Bill Information](#)



MACo opposed legislation that would have prohibited employers from asking standard questions of education in their job application and during the job interview process. If applied to the public sector, counties feared this law would eliminate promotion opportunities that allow local government employees a career path forward based on continued educational success. *Labor and Employment – Hiring – Education Requirements (Give Me a Chance Act)* did not advance in the 2021 General Assembly following its public hearing. [Bill Information](#) | [MACo Coverage](#)



MACo opposed legislation that would have created and implemented a Family and Medical Leave Insurance (FAMLI) Program funded through shared employee and employer contributions, providing up to 24 weeks of benefits to covered individuals. Local jurisdictions would have incurred significant costs as a result of paying half of the FAMLI contribution rate as well as incur programming costs to their payroll systems. *Labor and Employment – Family and Medical Leave Insurance Program – Establishment (Time to Care Act of 2021)* did not advance in the 2021 General Assembly following its public hearing. [Bill Information](#)



MACo supported legislation that would have provided a tool for county governments, as reimbursable employers, to delay their remittances by a year during a COVID-19 state of emergency. The legislation would have added a provision allowing quarterly billings to be paid within one year after the date on which the state of emergency was declared by the Governor due to the COVID-19 pandemic, simply giving reimbursing employers a comparable cushion as to what rate-paying employers are already allowed for COVID-related layoffs. *Unemployment Insurance – Reimbursing Employers – Deferral of Payment During a State of Emergency for COVID-19* did not advance in the 2021 General Assembly following its public hearing, however language to accomplish this goal was added to HB 908, which passed the General Assembly. [SB 790 Info](#) | [HB 908 Info](#) | [MACo Coverage](#)

## Workers Compensation



MACo opposed multiple pieces of legislation that would have dramatically expanded the scope of presumption for workers' compensation claims, therefore placing significant costs on local jurisdictions. None of the workers compensation bills advanced in the 2021 General Assembly following public hearings. [HB 765 Info](#) | [HB 1199 Info](#) | [HB 1247 Info](#) | [SB 756 Info](#) | [SB 812 Info](#) | [SB 860 Info](#) | [MACo Coverage](#) | [More MACo Coverage](#)

For more on employee benefits and employee relations legislation tracked by MACo during the 2021 legislative session, click [here](#).



## 2021 End of Session Wrap-Up: Taxes and Revenues

*The segments below provide a brief overview of MACo's work in the area of tax policy in the 2021 General Assembly.*



The General Assembly routinely considers proposals to change tax structures, often seeking to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals often are focused exclusively on the state's tax structure, but sometimes extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities. MACo steadfastly guards this local autonomy, and frequently advocates against statewide

solutions that mandate county compliance or otherwise override local decision-making.

This year the Maryland General Assembly conducted a legislative session unlike any other due to the enduring COVID-19 pandemic. The unique circumstances surrounding the 442nd legislative session, including necessary health and safety measures, posed a challenge for lawmakers and advocates alike. Despite the unusual circumstances, MACo's advocacy still led to more positive outcomes for its members.

*Follow links for more coverage on [Conduit Street](#) and [MACo's Legislative Database](#).*

### Income Taxes



MACo opposed dozens of subtraction modification bills, as subtraction modifications (income tax reductions) affect the taxable income base, which flows through to county revenues. Instead, MACo advocates for state income tax credits, which provide a similar benefit to residents without unnecessarily constraining local budgets. Only one subtraction modification bill passed advanced this year, with a negligible fiscal impact on county governments.

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Visit MACo's Legislative Tracking Database for more information on subtraction modification legislation.



MACo supported legislation to provide counties with the proper tools and flexibility to levy the local income tax with greater equity and fairness. The *Local Tax Relief for Working Families Act of 2021*, which authorizes local governments to impose the county income tax on a bracket basis, passed the General Assembly and awaits the Governor's signature.

#### Bill Information | MACo Coverage



MACo opposed legislation that would have authorized individuals who have a permanent physical disability to deduct \$1,000 as a personal exemption under the Maryland income tax. State proposals that involve local revenue sources can be enacted as a "local option", allowing counties maximum flexibility to achieve local goals. MACo will continue to urge the General Assembly to primarily state income tax credits as the best means to incorporate local tax relief as part of a broader policy. MACo and county governments stand ready to work with state policymakers to develop flexible and optional tools to create

broad or targeted tax incentives but resist state-mandated changes that preclude local input. *Income Tax – Personal Exemption – Disabled Individuals* did not advance in the 2021 General Assembly.

#### Bill Information | MACo Coverage



MACo opposed legislation that would have altered the calculation of the standard deduction allowed under the Maryland income tax to include an adjustment for certain charitable contributions. State proposals that involve local revenue sources can be enacted as a "local option", allowing counties maximum flexibility to achieve local goals. MACo will continue to urge the General Assembly to primarily state income tax credits as the best means to incorporate local tax relief as part of a broader policy. MACo and county

governments stand ready to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives but resist state-mandated changes that preclude local input. *Income Tax – Standard Deduction – Charitable Contributions* did not advance in the 2021 General Assembly.

#### Bill Information | MACo Coverage

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## Property Taxes



MACo supported legislation to establish a Homeowner Protection Program to offer homeowners facing tax sale potential cost avoidance, and provide help like payment assistance, foreclosure mediation, and other services. The bill contemplates a novel approach to divert homeowners from the private tax lien process into an alternative program to minimize tax collection costs, assist with the payment of overdue taxes, and allow homeowners to remain in their homes. *Property Tax – Tax Sales – Homeowner Protection Program* passed the General Assembly and awaits the Governor's signature.

### Bill Information I MACo Coverage



MACo supported legislation to require the State to rectify errors made by the State Department of Assessments and Taxation (SDAT) which resulted in thousands of low-income Marylanders paying excessive property taxes. *Property Tax – Homeowners' Property Tax Credit – Calculation and Refunds* passed the General Assembly and awaits the Governor's signature.

### Bill Information I MACo Coverage



MACo opposed legislation that would have extended the longstanding three-year assessment cycle for property tax assessments to a five-year cycle. By extending the assessment cycle to five years, impacting the accuracy and equity in assessments, exaggerating the lag in property values compared to current market conditions. This would negatively impact the ability of local government to collect fair property taxes, costing local governments millions in revenue. *Property Tax Assessments – 5-Year Assessment Cycle* did not advance in the 2021 General Assembly.

### Bill Information I MACo Coverage



MACo raised concerns with a bill that would have granted broad tax exemptions for rooftop community solar energy generating systems. The bill also designated certain solar energy property as a new subclass of personal property and authorized local governments to impose a lower personal property tax rate on solar energy equipment. Counties appreciated the flexibility to impose a lower personal property tax rate on solar energy equipment, as many counties are interested in promoting community solar on rooftops, brownfields, or less desirable lands as alternatives to large-scale energy generation facilities. However, MACo sought amendments to remove the mandatory tax exemption for community solar energy that would have decreased local revenues by \$3.5 million. *Property Tax – Solar Energy Systems* advanced in the Senate but died in the House.

Bill Information | MACo Coverage



MACo opposed legislation that would have opened up property tax savings under the Homestead Property Tax Credit to be “transferrable” to new homebuyers, if it is their first home in Maryland. MACo’s testimony made clear that if the tax credit were expanded to all homes transferred to new homeowners, counties could lose up to \$12.5 million from their most reliable revenue source by fiscal 2025. *Homestead Property Tax Credit – Calculation of Credit for Dwelling Purchased by First-Time Homebuyer* did not advance following its public hearing in the House Ways and Means Committee.

Bill Information | MACo Coverage



MACo opposed two pieces of legislation that would have restricted the Enterprise Zone program. These programs are designed to attract and retain businesses in areas where targeted investment for economic development is needed. Local governments believe the tax incentives offered by these programs are extremely effective and urged lawmakers to keep them intact. Neither of these bills advanced in this year’s General Assembly.

Bill Information | Bill Information | MACo Coverage | MACo Coverage



MACo supported legislation to repeal certain fees charged by SDAT for processing articles of dissolution, certificates of cancellation, and certain other documents filed by certain business entities with the Department. Because SDAT has no enforcement mechanism, particularly with entities that are nearing a point of dissolution, many such entities simply avoid filing articles of dissolution and instead force the Department to commence a lengthy forfeiture process. In the meantime, county governments expend significant time and

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resources on fruitless and administratively burdensome attempts to collect delinquent property taxes. *Corporations and Associations – Fees for Processing Articles of Dissolution, Certificates of Cancellation, and Other Documents – Repeal* passed the General Assembly and awaits the Governor's signature.

#### Bill Information I MACo Coverage



MACo supported legislation that authorizes local governments to grant optional property tax credits to businesses affected by a state of emergency. This allows each jurisdiction that chooses to enact the credit to tailor it to their specific community needs and gives each county broad discretion to enact the credit. *Property Tax Credit – Business Entities – State of Emergency* passed both chambers and awaits the Governor's signature.

#### Bill Information I MACo Coverage



MACo opposed legislation that would have significantly expanded an existing property tax exemption for disabled veterans and surviving spouses. MACo raised concerns with the carryover county fiscal effects of the legislation and generally prefers approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources. *Property Tax Exemption – Disabled Veterans* did not advance in the 2021 General Assembly.

#### Bill Information I MACo Coverage

For more information on tax-related legislation tracked by MACo during the 2021 legislative session, click [here](#).



# Hot off the Press: New Treasury Guidance on ARPA Funding

The US Department of the Treasury today released a revised Frequently Asked Questions document that provides clarification on eligible expenses and reporting requirements for the **Coronavirus State and Local Fiscal Recovery Fund (Recovery Fund)**.

As previously reported on *Conduit Street*, the Recovery Fund, authorized under the American Rescue Plan Act, is providing \$65.1 billion in direct, flexible aid to every county in America, as well as other crucial investments in local communities.

Specifically, the [revised FAQ document](#) addresses the following key items:

- **Costs of consultants:** Recovery Funds **CAN** be used to cover the costs of consultants to assist with managing and administering the funds.
- **Public jobs programs:** Recovery Funds **CAN** be used to establish public jobs programs (i.e. subsidized employment, combined education and on-the-job training, job training to accelerate rehiring or address negative economic impacts, childcare assistance, or assistance with transportation to and from a job site or interview).
- **Revenue loss and audited financial data:** If a county does not have audited data readily available when calculating its revenue loss, it is not required to obtain audited data.
- **Revenue loss and Census data:** When calculating general revenue, counties should use their own data sources and do NOT need to rely on published revenue data from the Census Bureau.
- **Revenue loss on cash basis/accrual basis:** When determining revenue loss, counties may provide data on a cash, accrual, or modified accrual basis, so long as the county is consistent in their choice of methodology throughout the covered period and until reporting is no longer required.
- **Flexibility for costs incurred by March 3, 2021:** The FAQ document states that the IFR permits funds can be used to cover costs incurred beginning on March 3, 2021. However, this limitation applies to costs incurred by a county government receiving Recovery Funds. Therefore, counties can use Recovery Funds to provide assistance to households, businesses, and individuals (within eligible categories) **PRIOR TO** March 3, 2021. For example:
  - **Public health/negative economic impact:** Counties may use Recovery Funds to provide assistance to households, such as rent, mortgage, or utility assistance, incurred by the household prior to March 3, 2021 (i.e. rental arrears from preceding months), provided that the cost of providing this assistance to households was **NOT incurred** by the county **PRIOR TO** March 3, 2021
  - **Premium pay:** Counties may provide premium pay retrospectively for work performed at any time since the start of the COVID-19 public health emergency (i.e. January 27, 2020).



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- **Revenue loss:** The calculation of lost revenue begins with the recipient's revenue in the last full fiscal year prior to the COVID-19 public health emergency (I.e. January 27, 2020) and included the 12-month period ending December 31, 2020. Use of these revenue recoupment funds for government services **MUST** be forward-looking for costs incurred by the recipient after March 3, 2021.
- **Investments in water, sewer, and broadband:** Counties may use Recovery Funds to cover costs incurred for eligible water, sewer, and broadband projects planned or started prior to March 3, 2021, provided that the project costs covered by the Recovery Fund were incurred **AFTER** March 3, 2021.
- **New CFDA number for the Recovery Fund:** Treasury has updated the Recovery Fund's CFDA number to **21.027** (it previously had the same number as the CARES Act Coronavirus Relief Fund – 21.019). If your county has already received funds or captured the initial CFDA number in your records, you should update your systems and reporting to reflect the final CFDA number for the Recovery Fund – 21.027. **Counties must use the final CFDA number for all financial accounting, audits, subawards, and associated program reporting requirements.**
- **Water and sewer project eligibility:** Counties do not need approval from Treasury to determine whether an investment in water, sewer, or broadband projects is eligible under the Recovery Fund. A county should make its own determination that a project meets the eligibility criteria outlined in the IFR. However, when determining which projects to invest in, counties should familiarize themselves with other federal or state laws or regulations that may apply to construction projects independent of the Recovery Fund's funding condition and that may require pre-approval.

According to the [National Association of Counties \(NACo\)](#):

*Although Treasury has stated the agency will release additional FAQs in the coming weeks, NACo strongly suggests counties [submit comments for the record](#) in response to Treasury's Interim Final Rule on the Fiscal Recovery Fund to ensure the county voice is reflected in the public comments when it comes time to finalize the rule. **The deadline to submit comments is July 16, 2021.***

To read NACo's FAQs on the Recovery Fund, [click here](#).

To read NACo's analysis of Treasury's Interim Final Rule, [click here](#).

Visit the NACo website for more information.

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# MACo OPEB Trust Offers Plug-and-Play Solution for Healthcare Liabilities

Michael Sanderson September 10, 2021 Employee Benefits and Relations / Finance and Procurement / Pensions & Public Funds

**The MACo OPEB Investment Trust – designed to help counties put current assets to work toward long-term health care liabilities – is performing well, delivering healthy returns, and serving member needs. Trustees convened this week for a quarterly remote meeting to review its performance and management.**

The Board of Trustees of the MACo OPEB Investment Trust convened a quarterly meeting via WebEx on September 10. In addition to reviewing investment strategy and performance, and discussing the landscape for long-term public investing, the Trustees fielded comments from conference attendees who do not yet belong to the Trust, but are considering their long-term OPEB options.

The Trust serves county and municipal governments, but also county-supported entities like libraries and community colleges. If your county, or other local government entity, has a long-term liability for retiree health care (and most of us do), consider the Trust as an easy “plug and play” option to put current assets to work toward those long-term liability.



Maryland law allows local governments to invest funds for this purpose in less restricted ways than true “public funds,” but only if they are committed in a Trust. The MACo OPEB Investment Trust was designed to make this easy and inexpensive to do. And if you already have a local Trust, you may still invest some of all your assets into the MACo OPEB Investment Trust to take advantage of the group’s collective buying power to gain attractive yields and low overhead costs.

Find out more [on the Trust website](#), or request a copy of materials from the September 2021 meeting, by contacting [Michael Sanderson](#), MACo Executive Director and *ex-officio* Trustee.

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