

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

1997 Legislative Session

Bill No. _____ CB-50-1997

Chapter No. _____ 46

Proposed and Presented by _____ Chairman (by request - County Executive)

Introduced by _____ Council Members Del Giudice, Wilson, and Esteppe

Co-Sponsors

Date of Introduction _____ July 1, 1997

BILL

AN ACT concerning

Spending Affordability Committee

For the purpose of establishing a Spending Affordability Committee replacing the Board of Revenue Estimates, providing for the appointment and terms of members, and providing duties and responsibilities of the Committee.

BY repealing:

SUBTITLE 10. FINANCE AND TAXATION.

Sections 10-112.21 and

10-112.22,

The Prince George's County Code

(1995 Edition, 1996 Supplement)

By adding:

SUBTITLE 10. FINANCE AND TAXATION.

Sections 10-112.21 and

10-112.22,

The Prince George's County Code

(1995 Edition, 1996 Supplement)

SECTION 1. BE IT ENACTED by the County Council of Prince George's County, Maryland, that Sections 10-112.21 and 10-112.22 of the Prince George's County Code be and the same are hereby repealed:

SUBTITLE 10. FINANCE AND TAXATION.

[DIVISION 1A. BOARD OF REVENUE ESTIMATES.

Sec. 10-112.21. Board of Revenue Estimates.

(a) There is established a Board of Revenue Estimates. The Board consists of the following three members:

(1) Two persons neither of whom shall be an officer or employee of the County, appointed by the Executive and confirmed by the Council; and

(2) A person who is neither an officer or employee of the County appointed by the Council.

(b) The term of office of the public members shall be three (3) years. The terms shall be staggered.

(c) The Office of Management and Budget and the Office of Finance shall provide technical and clerical support to the Board.

(d) The Board is authorized to engage and hire consultants and experts, to the extent provided in the budget, to assist the Board in the preparation of its reports.

(e) The members of the Board shall, by virtue of their education and employment, have a demonstrated competence in one or more of the following areas: Accounting, Financial Analysis, Economics, Budget and Fiscal Management, Public Finance, Fiscal Planning, or related fields.

Sec. 10-112.22. Reports.

(a) On or before February 1 of each year, the Board shall prepare a report that contains an itemized statement of the estimated County revenues from all sources for the ensuing fiscal year.

(b) On or before April 30 of each year, the Board shall prepare a report that contains an itemized statement of the estimated County revenues from all sources for the ensuing fiscal year.

(c) The Board shall maintain all records, estimates of revenue, and draft reports in confidence prior to issuing its report.

(d) A copy of each report shall be filed with the Clerk of the Council and be made available for public inspection.]

SECTION 2. BE IT FURTHER ENACTED that new Sections 10.112.21 and 10.112.22 of

the Prince George's County Code be and the same are hereby added:

DIVISION 1A. SPENDING AFFORDABILITY COMMITTEE.

Sec. 10-112.21. Spending Affordability Committee.

(a) There is hereby established a Spending Affordability Committee which shall be composed of five (5) members. Three members shall be appointed by the County Executive and confirmed by the County Council. Two members shall be appointed by the County Council. The County Executive shall designate one member to serve as chairman of the Committee. Each member shall serve for a period of two (2) years. The terms shall be staggered. The Chief Administrative Officer and the Administrator of the County Council, or their designees, shall serve as ex-officio members of the Committee.

(b) The members of the Committee shall, by virtue of their education and employment, have a demonstrated competence in one or more of the following areas: Accounting, Financial Analysis, Economics, Budget and Fiscal Management, Public Finance, Fiscal Planning, or related fields.

(c) The County Executive shall provide assistance to the Committee. County agencies shall cooperate at all levels with the Committee in providing information upon request.

Sec. 10-112.22. Duties and Responsibilities.

(a) The Spending Affordability Committee shall make advisory recommendations to the County Executive, the County Council, and the Office of Management and Budget concerning (1) spending affordability, (2) ways to improve the County's budgetary procedures and policies, and (3) other related areas upon request of the County Executive or County Council by resolution.

(b) On or before October 1 of each year, the committee shall submit to the County Executive and the County Council a preliminary report recommending County spending levels for the next fiscal year consistent with the capacity of the tax base and revenue sources of the County to finance public services and long-term debt. A copy of this report shall be filed with the Clerk of the Council and be made available for public inspection.

(1) The report shall provide recommendations for the following spending affordability guidelines:

(A) A ceiling on total general fund appropriations for the ensuing fiscal year;

(B) Separate maximum general fund spending allocations for (i) the Board of Education, (ii) debt service, and (iii) all other general government expenditures, in the aggregate, for the ensuing fiscal year; and

(C) Appropriate levels of general fund reserves and fund balances for the ensuing fiscal year.

(c) On or before January 1 of each year, the Committee shall submit to the County Executive and the County Council a final report on spending affordability guidelines for the County Executive's proposed capital and operating budgets for the ensuing fiscal year. This report shall contain the Committee's final recommendations concerning each of the spending affordability guidelines. A copy of this report shall be filed with the Clerk of the Council and be made available for public inspection.

(1) In developing the spending affordability guidelines, the Committee shall consider the following factors, among others:

(A) Growth and stability of the local economy;

(B) Growth in the assessable base and ad valorem property tax revenues;

(C) Estimated revenues from the County, State and federal governments;

(D) Changes in personal income and other measures of tax capacity;

(E) Debt affordability indicators such as a ratio of net bonded debt to total assessed value, the ratio of debt service to general fund expenditures, debt per capita, and the ratio of per capita debt to per capita income;

(F) The level of inflation and inflation trends;

(G) Commercial construction, housing and other ancillary industry-related planning, zoning, permitting, financing and sales activity;

(H) The level of unemployment and labor force trends; and

(I) Projected population and school enrollment changes.

(d) In developing the proposed capital and operating budgets, the County Executive shall consider the Committee's spending affordability recommendations. If the proposed budget exceeds any of the recommended affordability guidelines, the County Executive must explain in

writing the justification for exceeding the recommendations.

SECTION 3. BE IT FURTHER ENACTED that the terms of the initial members of the Committee shall be as follows:

Two members appointed by the County Executive shall serve a period of two years with terms ending June 30, 1999. Any member appointed by the County Executive to the Board of Revenue Estimates and serving in such capacity on the effective date of this Bill shall fill one of those terms on the Spending Affordability Committee without the necessity of further appointment and confirmation. One member appointed by the County Executive shall serve for a period of one year, with a term ending June 30, 1998.

One member appointed by the County Council shall serve a period of two years with a term ending June 30, 1999. Any member appointed by the County Council to the Board of Revenue Estimates and serving in such capacity on the effective date of this Bill shall fill this term on the Spending Affordability Committee without the necessity of further appointment. One member appointed by the County Council shall serve for a period of one year, with a term ending June 30, 1998. After the initial appointments all members shall serve for periods of two years.

SECTION 4. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.

Adopted this 29th day of July, 1997.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:
Dorothy F. Bailey
Chair

ATTEST:

Joyce T. Sweeney
Clerk of the Council

APPROVED:

DATE: _____

BY:
Wayne K. Curry
County Executive

KEY:

Underscoring indicates language added to existing law.

[Brackets] indicate language deleted from existing law.