

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2024, Legislative Day No. 23

Bill No. 100-24

Introduced by Ms. Rodvien

By the County Council, December 16, 2024

Introduced and first read on December 16, 2024
Public Hearing set for January 21, 2025
Bill Expires on March 21, 2025

By Order: Kaley Schultze, Administrative Officer

A BILL ENTITLED

1 AN ORDINANCE concerning: Finance, Taxation, and Budget – Special Community
2 Benefit Districts, Shore Erosion Control Districts, and Waterways Improvements
3 Districts – Administrative Charge – Penalties for Non-Compliance – Maryland
4 Homeowners Association Act and Open Meetings Act Compliance

5
6 FOR the purpose of modifying the administrative charge for special community benefit
7 districts, shore erosion control districts, and waterways improvements districts;
8 providing penalties for non-compliance with certain requirements for special
9 community benefit districts, shore erosion control districts, and waterways
10 improvements districts; requiring the civic or community association that administers
11 a special community benefits district to comply with certain provisions of the Maryland
12 Open Meetings Act and certain provisions of the Maryland Homeowners Association
13 Act; requiring each civic or community association that administers a special
14 community benefit district to designate at least one officer to complete a training class
15 on the Open Meetings Act; and generally relating to finance, taxation, and budget.

16
17 BY repealing and reenacting, with amendments: § 4-7-101(e)

18
19 BY adding: §§ 4-7-101(i); 4-7-104; and 4-7-201(d)
20 Anne Arundel County Code (2005, as amended)

21
22 SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,*
23 That Section(s) of the Anne Arundel County Code (2005, as amended) read as follows:

ARTICLE 4. FINANCE, TAXATION, AND BUDGET

EXPLANATION: CAPITALS indicate new matter added to existing law.
[[Brackets]] indicate matter deleted from existing law.
Captions and taglines in **bold** in this bill are catchwords and are not law.
Asterisks *** indicate existing Code provisions in a list or chart that remain unchanged.

1 **TITLE 7. SPECIAL COMMUNITY BENEFIT DISTRICTS, SHORE EROSION**
2 **CONTROL DISTRICTS, AND WATERWAYS IMPROVEMENTS DISTRICTS**

3
4 **4-7-101. Provisions relating to all districts.**

5
6 **(e) Administrative charge.**

7
8 (1) An administrative charge of 5% of the taxes collected shall be withheld by the
9 Controller from each district's disbursement and shall be paid over to the general fund of
10 the County.

11
12 (2) BEGINNING IN FISCAL YEAR 2026, AN ADMINISTRATIVE CHARGE SHALL BE
13 WITHHELD BY THE CONTROLLER FROM EACH DISTRICT'S DISBURSEMENT AND SHALL BE
14 PAID OVER TO THE GENERAL FUND OF THE COUNTY AS FOLLOWS:

15
16 (I) 5% OF THE TAXES COLLECTED, ADJUSTED AS SET FORTH IN (3), FOR
17 DISTRICTS THAT RECEIVE AND MANAGE DISBURSEMENTS OF DISTRICT FUNDS; AND

18
19 (II) 9% OF THE TAXES COLLECTED, ADJUSTED AS SET FORTH IN (3), FOR
20 DISTRICTS THAT DO NOT RECEIVE AND MANAGE DISBURSEMENTS OF DISTRICT FUNDS.

21
22 (3) The administrative charge shall not be less than \$100 nor more than ~~[\$2,000]~~
23 \$10,000 for a ~~[district's]~~ fiscal year. IN EACH FISCAL YEAR BEGINNING IN FISCAL
24 YEAR 2027, THE MAXIMUM ADMINISTRATIVE CHARGE SHALL INCREASE BY THE ANNUAL
25 CPI FOR THE BALTIMORE REGION AS OF JANUARY 1 OF THE PRIOR FISCAL YEAR IF THE
26 ANNUAL CPI IS A POSITIVE NUMBER.

27
28 ***

29
30 (I) **Contact information.** EACH COMMUNITY ASSOCIATION THAT ADMINISTERS A
31 SPECIAL COMMUNITY BENEFIT DISTRICT, A SHORE EROSION CONTROL DISTRICT, OR A
32 WATERWAY IMPROVEMENT DISTRICT SHALL MAKE AVAILABLE TO MEMBERS OF THE
33 COMMUNITY ASSOCIATION AN EMAIL ADDRESS OR TELEPHONE NUMBER FOR AT LEAST
34 ONE OFFICER OF THE COMMUNITY ASSOCIATION THAT CAN BE USED BY MEMBERS OF THE
35 COMMUNITY ASSOCIATION TO CONTACT THE OFFICER OR OFFICERS ON MATTERS
36 RELATED TO THE DISTRICT.

37
38 **4-7-104. Penalties for non-compliance.**

39
40 (A) **Penalties.** IF A CIVIC OR COMMUNITY ASSOCIATION THAT ADMINISTERS A SPECIAL
41 COMMUNITY BENEFIT DISTRICT, SHORE EROSION CONTROL DISTRICT, OR A WATERWAYS
42 IMPROVEMENT DISTRICT IS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THIS TITLE
43 OR OF STATE LAW, THE COUNTY MAY DO ANY OF THE FOLLOWING:

44
45 (1) REJECT A BUDGET SUBMISSION REQUIRED UNDER § 4-7-104;

46
47 (2) WITHHOLD THE APPROPRIATION OF ANY FUNDS FOR THE DISTRICT OTHER
48 THAN FUNDS REQUIRED FOR THE REPAYMENT OF A LOAN THAT THE COUNTY COUNCIL
49 HAS AGREED BY ORDINANCE TO APPROPRIATE;

50
51 (3) WITHHOLD THE DISBURSEMENT OF FUNDS TO THE ASSOCIATION;

52
53 (4) PROHIBIT THE EXPENDITURE OF FUNDS BY THE ASSOCIATION; OR

1 (5) REQUIRE THE COMMUNITY ASSOCIATION TO REIMBURSE ANY DISTRICT FUNDS
2 THAT HAVE BEEN IMPROPERLY EXPENDED, INCLUDING THROUGH A TAX ASSESSMENT AS
3 A SOURCE OF THE REIMBURSEMENT.

4
5 **(B) Dissolution.**

6
7 (1) EXCEPT AS PROVIDED IN (2), IF A CIVIC OR COMMUNITY ASSOCIATION THAT
8 ADMINISTERS A SPECIAL COMMUNITY BENEFIT DISTRICT, A SHORE EROSION CONTROL
9 DISTRICT, OR A WATERWAYS IMPROVEMENT DISTRICT DOES NOT COMPLY WITH THE
10 REQUIREMENTS OF THIS TITLE OR OF STATE LAW WITHIN TWO YEARS OF WRITTEN NOTICE
11 OF NON-COMPLIANCE, THE DISTRICT MAY BE DISSOLVED BY ORDINANCE OF THE COUNTY
12 COUNCIL.

13
14 (2) A DISTRICT MAY NOT BE DISSOLVED IF IT HAS OUTSTANDING CONTRACTUAL
15 OBLIGATIONS, INCLUDING OUTSTANDING LOANS.

16
17 (3) (I) AN ORDINANCE DISSOLVING AN EXISTING SPECIAL COMMUNITY BENEFIT
18 DISTRICT, A SHORE EROSION CONTROL DISTRICT, OR A WATERWAYS IMPROVEMENT
19 DISTRICT FOR NON-COMPLIANCE SHALL PROVIDE FOR THE EQUITABLE DIVISION OF
20 DISTRICT ASSETS AMONG THE PERSONS WHO OWN PROPERTY IN THE DISTRICT ON THE
21 EFFECTIVE DATE OF THE ORDINANCE DISSOLVING THE DISTRICT.

22
23 (II) UNENCUMBERED AND UNEXPENDED DISTRICT FUNDS AS OF THE EFFECTIVE
24 DATE OF THE ORDINANCE DISSOLVING THE DISTRICT SHALL BE DISTRIBUTED TO THE
25 CURRENT PROPERTY OWNERS OF THE DISTRICT PROPORTIONATELY ON THE SAME BASIS
26 AS THE SPECIAL TAX WAS MOST RECENTLY COLLECTED.

27
28 **4-7-201. General provisions.**

29
30 **(D) Maryland Homeowners Association Act and Open Meetings Act - compliance.**

31
32 (1) (I) ALL MEETINGS OF THE CIVIC OR COMMUNITY ASSOCIATION THAT
33 ADMINISTERS A SPECIAL COMMUNITY BENEFIT DISTRICT SHALL BE OPEN TO ALL OWNERS
34 OF PROPERTY WITHIN THE DISTRICT AND SHALL COMPORT WITH §§ 3-301 THROUGH
35 3-307 OF THE GENERAL PROVISIONS ARTICLE OF THE STATE CODE. THE MEETINGS ARE NOT
36 REQUIRED TO BE OPEN TO THE GENERAL PUBLIC.

37
38 (II) THE CIVIC OR COMMUNITY ASSOCIATION THAT ADMINISTERS A SPECIAL
39 COMMUNITY BENEFIT DISTRICT SHALL COMPLY WITH §§ 11B-111(3), 11B-112(A) AND (B),
40 11B-112.2(F), AND 11B-113.6 OF THE REAL PROPERTY ARTICLE OF THE STATE CODE.

41
42 (2) (I) EACH CIVIC OR COMMUNITY ASSOCIATION THAT ADMINISTERS A SPECIAL
43 COMMUNITY BENEFIT DISTRICT SHALL DESIGNATE AT LEAST ONE INDIVIDUAL WHO IS AN
44 OFFICER OF THE CIVIC OR COMMUNITY ASSOCIATION TO RECEIVE TRAINING ON THE
45 REQUIREMENTS OF THE MARYLAND OPEN MEETINGS ACT.

46
47 (II) WITHIN 90 DAYS AFTER BEING DESIGNATED UNDER THIS PARAGRAPH, THE
48 INDIVIDUAL SHALL COMPLETE THE TRAINING OFFERED BY THE MARYLAND ATTORNEY
49 GENERAL ON THE MARYLAND OPEN MEETINGS ACT.

50
51 (III) A CIVIC OR COMMUNITY ASSOCIATION THAT ADMINISTERS A SPECIAL
52 COMMUNITY BENEFIT DISTRICT MAY NOT MEET IN A CLOSED SESSION UNLESS THE CIVIC
53 OR COMMUNITY ASSOCIATION HAS DESIGNATED AT LEAST ONE OFFICER OF THE CIVIC OR
54 COMMUNITY ASSOCIATION TO RECEIVE TRAINING ON THE REQUIREMENTS OF THE
55 MARYLAND OPEN MEETINGS ACT.

1 (IV) EACH CIVIC OR COMMUNITY ASSOCIATION THAT ADMINISTERS A SPECIAL
2 COMMUNITY DISTRICT SHALL SUBMIT WITH THE BUDGET SUBMISSION REQUIRED BY
3 § 4-7-103 A CERTIFICATION THAT THE TRAINING REQUIRED UNDER (I) AND (II) HAS
4 OCCURRED THAT INCLUDES THE NAME OF THE PERSON WHO COMPLETED THE TRAINING
5 AND THE DATE THAT THE TRAINING WAS COMPLETED.

6

7 SECTION 2. *And be it further enacted,* That this Ordinance shall take effect 45 days
8 from the date it becomes law.