

Chapter 689

(House Bill 910)

AN ACT concerning

Frederick County – Budgetary Processes

FOR the purpose of renaming certain balances in the general fund of Frederick County; requiring that if a certain committed general fund balance is appropriated and expended by the County Commissioners of Frederick County, the County Commissioners shall replenish the committed general fund balance by the end of a certain fiscal year; and generally relating to the budgetary processes of Frederick County.

BY repealing and reenacting, with amendments,
The Public Local Laws of Frederick County
Section 2-7-1, 2-7-4(a), and 2-7-11
Article 11 – Public Local Laws of Maryland
(2004 Edition and July 2011 Supplement, as amended)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 11 – Frederick County

2-7-1.

(a) (1) On or before June 1 and in accordance with law, the county commissioners shall levy upon all of the taxable property of the county and upon all property subject to taxation in it the aggregate amount of the estimates, less any revenue certain to be paid the county during the ensuing fiscal year from sources other than the levy and property to be appropriated toward the estimates and less any actual or estimated [undesigned] **UNASSIGNED** general fund balance available for appropriation, as otherwise provided in this Code.

(2) To protect the financial integrity of county government and to provide sufficient liquidity required for daily operations, the county commissioners shall maintain [an unappropriated undesigned] **A COMMITTED** general fund balance. The amount shall be 5 percent of the general fund expenditures and transfers to the board of education and the Frederick Community College for the prior fiscal year. Any amount that exceeds 5 percent of the general fund expenditures and transfers to the Board of Education and the Frederick Community College for the prior fiscal year shall be included as funds available for appropriation in the current fiscal year.

(b) In addition thereto, the county commissioners may levy not more than five hundred thousand dollars (\$500,000.00) which shall be added to the total of estimates and included in their levy. No other sums of money shall be levied. Taxes levied shall become due and payable and shall be collected in the manner and at the times fixed by law. The additional five hundred thousand dollars (\$500,000.00) or so much of this sum as may be levied shall be a contingency fund and shall be dedicated and appropriated to meet any unexpected demand which may arise after tax levy has been made.

2-7-4.

(a) It is expected that the contingency fund established under § 2-7-1(b) of this article will seldom be needed or used, but is provided as a safeguard or protection in event a contingency should arise. It shall be dedicated and appropriated to meet any unexpected demand which arises after the tax levy has been made, the occurrence of which could not reasonably have been foreseen. The unexpended balance should be a part of the [undesigned] **UNASSIGNED** fund balance.

2-7-11.

(a) Subject to subsection (b) of this section, the board of county commissioners may increase appropriations and expend the increased appropriations.

(b) Prior to increasing appropriations and expending the increased appropriations, the board of county commissioners shall:

(1) Establish, by ordinance, criteria for increasing appropriations and expending the increased appropriations; and

(2) Require the increase in appropriations to be derived from:

(i) The [unappropriated undesigned] **COMMITTED** general fund balance required under § 2-7-1(a)(2) of this article; or

(ii) The bond rating enhancement reserve established under § 2-7-10 of this article.

(C) IF THE COMMITTED GENERAL FUND BALANCE REQUIRED BY § 2-7-1(A)(2) IS APPROPRIATED AND EXPENDED BY THE COUNTY COMMISSIONERS, THE COMMITTED FUND BALANCE SHALL BE REPLENISHED BY THE END OF THE THIRD FISCAL YEAR AFTER APPROPRIATION TO MEET THE 5 PERCENT REQUIREMENT OF THIS COMMITTED FUND BALANCE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2012.

Approved by the Governor, May 22, 2012.