

## CHARTER AMENDMENT RESOLUTION CAR-2 -22

**A CHARTER AMENDMENT RESOLUTION OF THE COUNCIL OF THE MAYOR AND TOWN COUNCIL OF CHEVERLY FOR THE PURPOSE OF REPEALING AND RE-ENACTING, WITH AMENDMENTS, SECTION C-29 (TAXES: LEVY, COLLECTION, ASSESSMENTS) OF ARTICLE VII (POWERS) OF THE CHARTER OF THE TOWN OF CHEVERLY FOR THE PURPOSE OF CLARIFYING AND CONFIRMING THAT (1) THE TAX CAP PREVIOUSLY CONTAINED IN SUCH SECTION IS NOT EFFECTIVE, AND (2) THE TOWN HAS AUTHORITY TO CREATE CLASSIFICATIONS OF PROPERTY FOR THE PURPOSE OF SETTING TAX RATES BUT PROVIDING THAT SUCH AUTHORITY SHALL BE SUBJECT TO ANY LIMITATIONS OF APPLICABLE LAW; MAKING CERTAIN STYLISTIC CHANGES IN, AND CORRECTING AN OUTDATED REFERENCE TO A SECTION OF THE ANNOTATED CODE OF MARYLAND IN, SUCH SECTION; PROVIDING FOR COMPLIANCE WITH CERTAIN PROVISIONS OF THE ANNOTATED CODE OF MARYLAND REGARDING CHARTER AMENDMENTS; PROVIDING THAT THIS TITLE CONSTITUTES A FAIR SUMMARY OF THIS CHARTER AMENDMENT RESOLUTION; AND GENERALLY RELATING TO THIS CHARTER AMENDMENT RESOLUTION.**

### RECITALS

WHEREAS, pursuant to Article XI-E of the Constitution of Maryland Article of the Annotated Code of Maryland as currently in effect (the “Maryland Constitution”) and Section 4-301 *et seq.* of the Local Government Article of the Annotated Code of Maryland as currently in effect (the “Local Government Article”), the legislative body of a Maryland municipality has the authority to amend its Charter in accordance with the procedures set forth therein; and

WHEREAS, pursuant to Section C-12 of the Charter of the Town of Cheverly (the “Charter”), all legislative powers of The Mayor and Town Council of Cheverly, a Maryland municipality (the “Town”), are vested in the Council of the Town, although in accordance with the Charter the Mayor of the Town has the right to vote on certain matters before the Council or in certain circumstances; and

WHEREAS, pursuant to two separate 2013 Charter Amendment Resolutions, the Town adopted amendments to Section C-29 (Taxes: Levy, collection, assessments) of Article VII (Powers) of the Charter in order to (1) remove the tax cap from such section, and (2) add language to such section making explicit the authority of the Town to create classifications of property for the purpose of setting tax rates; and

WHEREAS, the language of Section C-29 of Article VII of the Charter is inconsistent among various published versions of the Charter, with certain versions failing to include the language of the 2013 Charter amendments; and

WHEREAS, because the Town anticipates issuing general obligation debt in the future, and to ensure that any such general obligation debt may be backed by a pledge of the Town's full faith and credit and unlimited taxing power, the financial advisor to the Town and bond counsel to the Town have recommended that this Charter Amendment Resolution be adopted to resolve discrepancies in the language of Section C-29 of Article VII of the Charter as published in various versions and to clarify and confirm (1) that the tax cap previously provided for in such section of the Charter is not effective, and (2) that the Town has the authority to create classifications of property for the purpose of setting tax rates but that such authority shall be subject to any limitations provided for in applicable law; and

WHEREAS, different published versions of the Charter identify the section in question as either "§ C-29" or "Section C-29;" and

WHEREAS, this Charter Amendment Resolution identifies such section as "Section C-29," with the understanding that if the Charter, as amended, is republished in different publications of the Charter and the convention "§ C-XX" is used to identify sections in any such published version, such section numbering convention may vary among different publications of the revised Charter; and

WHEREAS, the Council deems it to be in the best interests of the Town and its residents to so amend Section C-29 of Article VII of the Charter for the purposes stated in these Recitals; and

WHEREAS, a public hearing was held on the proposed amendment to Section C-29 of Article VII of the Charter as required by Section 4-304(a)(2) of the Local Government Article before this Charter Amendment Resolution was considered for adoption.

SECTION 1. NOW, THEREFORE, BE IT RESOLVED that the Recitals to this Charter Amendment Resolution are deemed a substantive part of this Charter Amendment Resolution, and capitalized terms defined in the Recitals to this Charter Amendment Resolution and used in the Sections of this Charter Amendment Resolution shall have the meanings given to such terms in such Recitals, unless any such term is separately defined in the Sections of this Charter Amendment Resolution.

SECTION 2. AND BE IT FURTHER RESOLVED that pursuant to the authority of Article XI-E of the Maryland Constitution and Section 4-301 *et seq.* of the Local Government Article, Section C-29 (Taxes: Levy, collection, assessments) of Article VII (Powers) of the Charter of the Town of Cheverly (the "Charter"), as published in Municipal Charters of Maryland, 2018 Replacement Edition, as the same may have been amended to date, whether or not any such amendments have been incorporated within the version of the Charter published in Municipal Charters of Maryland, is hereby repealed in its entirety and re-enacted, with amendments, to read as follows, with the entire section being italicized and, as authorized by Section 4-303(e)(2) of the Local Government Article, without setting forth the repealed text because such entire section is being repealed and re-enacted, with amendments:

“Section C-29. Taxes: Levy, collection, assessments.

*The Mayor and Town Council of Cheverly shall levy, on or before the 30th day of June for each year, the taxes for the year beginning the first day of July on real estate and business (including utilities) personal property at such rates as they may find necessary for anticipated expenses for the coming fiscal year. The rates shall be set each year as a part of the annual budget process and shall be levied on each one hundred dollars (\$100.00) assessed valuation based upon the State and County assessments for all purposes.*

*The Mayor and Town Council shall have the authority to set such classes or classifications of properties and improvements for the purpose of setting the rate of taxation for each such class or classification. Such classes or classification shall be based upon reasonable factors including but not limited to zoning classifications, improvements on the land, the use of the land, the impact on the Town or an area of the Town of such improvements or use, as well as any other reasonable basis. Notwithstanding the foregoing, the powers of the Town provided for in this paragraph shall be subject to any limitations set forth in applicable law.*

*All improvements which become substantially completed between July 1 and September 30 in any year shall be assessed for taxes, and such improvements shall be subject to municipal taxation in said year on the basis of three-fourths (3/4) of the regular assessment made for State and County purposes for said year. All improvements which become substantially completed between October 1 and December 31 in any year shall be assessed for taxes, and such improvements shall be subject to municipal taxation in said year on the basis of one-half (1/2) of the regular assessment made for State and County purposes for said year. In the case of buildings under construction, the term “substantially completed” shall mean when the building is under roof, plastered (or ceiled) and trimmed.*

*Real estate situated within an area annexed between July 1 and September 30 in any year shall be assessed for taxes and shall be subject to municipal taxation in said year on a basis not to exceed three-fourths (3/4) of the regular assessment made for State and County purposes for said year. Real estate situated within an area annexed between October 1 and December 31 in any year shall be assessed for taxes and shall be subject to municipal taxation in said year on a basis not to exceed one-half (1/2) of the regular assessment made for State and County purposes for said year.*

*All taxes so levied shall be a lien on any and all property of the person, partnership or corporation against whom or which they may be levied, and the taxes so levied shall be due and payable the first day of July next succeeding the levy thereof, and shall be in arrears on the first day of the succeeding October and*

*from and after that date they shall bear interest at the rate of two-thirds of one per centum (2/3 of 1%) for each month or fraction thereof until paid, in accordance with applicable provisions of the Tax-Property Article of the Annotated Code of Maryland, as replaced, supplemented or amended. In addition to said interest, after October 1 there shall also accrue a penalty of one per centum (1%) for each month or fraction thereof until paid or a sale for default shall have been finally ratified by the court."*

SECTION 3. AND BE IT FURTHER RESOLVED that by undertaking the repeal and re-enactment, with amendments, of Section C-29 of Article VII of the Charter, the Town is (1) clarifying and confirming that the cap or limitation on the rates for real property taxes and personal property taxes previously set forth in the first paragraph of such Charter section is not effective by not including any tax rate cap/limitation language in the first paragraph of such section as set forth above in Section 2 of this Charter Amendment Resolution, (2) clarifying and confirming the authority of the Town to set classes or classifications of property for the purpose of setting tax rates pursuant to the second paragraph of such section, but making such authority subject to any limitations of applicable law by adding the final sentence to the second paragraph of such section as set forth above in Section 2 of this Charter Amendment Resolution, (3) capitalizing references to "State" and "County" within such section as set forth above in Section 2 of this Charter Amendment Resolution for purposes of consistency, and (4) changing the outdated reference to Article 81, Section 48 of the Annotated Code of Maryland in the last paragraph of such section as set forth in Section 2 of this Charter Amendment Resolution to applicable provisions of the Tax-Property Article of the Annotated Code of Maryland, as replaced, supplemented or amended.

SECTION 4. AND BE IT FURTHER RESOLVED that the amendment to the Charter proposed by this Charter Amendment Resolution shall be and become effective fifty (50) days after adoption of this Charter Amendment Resolution unless petitioned to referendum in accordance with Sections 4-304(d) and 4-307 of the Local Government Article within forty (40) days following its adoption. A complete and exact copy of this Charter Amendment Resolution shall be posted as required by Section 4-304(b)(1) of the Local Government Article for forty (40) days following its adoption and a fair summary of the Charter amendment shall be published in a newspaper of general circulation in the Town at least four (4) times, at weekly intervals, within the forty (40) days following adoption of this Charter Amendment Resolution.

SECTION 5. AND BE IT FURTHER RESOLVED that after this Charter Amendment Resolution becomes effective, either as herein provided or following referendum, the Mayor of the Town shall send or cause to be sent to the Maryland Department of Legislative Services the information required by Sections 4-308 and 4-109 of the Local Government Article.

SECTION 6. AND BE IT FURTHER RESOLVED that the Mayor of the Town is hereby authorized and directed to carry out or cause to be carried out the provisions of Sections 4 and 5 of this Charter Amendment Resolution.

SECTION 7. The title of this Charter Amendment Resolution is deemed a fair summary hereof for publication and all other purposes.

INTRODUCED at a public meeting held on June 23, 2022.

PUBLIC HEARING held on July 28, 2022.

ADOPTED at a public meeting held on \_\_\_\_\_, 2022.

Votes on the Charter Amendment Resolution:

\_\_\_\_\_votes in favor

\_\_\_\_\_votes opposing

\_\_\_\_\_votes abstaining

Attest: \_\_\_\_\_

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Councilmember

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Councilmember

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