

FREQUENTLY ASKED QUESTIONS (FAQ)

November 17, 2014

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Answers to FAQ:

1. Who is spear heading this movement to form a municipality?

Forming a municipality has been tried at least twice in the past. Several residents of the community chartered a POACRE Strategic Planning Committee in 2014. The first conclusion drawn by the committee was that the form of governing a community is the number one priority. Until that is determined, long term planning for anything else (roads, amenities, etc.) is futile. Once the committee looked at the options of governing a large community of approximately 10,000 residents like CRE, it was concluded that forming a municipality was the way to go. Since a lot of the work to form a municipality had been done in the past, it was felt that updating these documents would accelerate the process and allow the residents of CRE to determine by a referendum vote whether forming a municipality made sense and was the way to govern our community.

The first step in the process is to form a committee to submit a petition forming a municipality to the County Commissioners. Names of individuals on the Organizing Committee can be found on the "Contact Us" page of the Calvert Shores web site (<http://www.calvertshores.org>). The process to form a municipality can be found in the MML [incorporation handbook and the annotated code of Maryland Article 23A](#)

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2. What does signing a petition for a referendum vote on forming a municipality mean?

Signing a petition for a referendum vote on forming a municipality only allows the process to begin. Once a petition with the required number of signatures is submitted to the Board of County Commissioners, the Maryland Code outlines the legal process for forming a municipality. This will involve such things as developing a charter, working with the county liaison, holding public hearings, and writing issue papers to address

things like the impact on property taxes. The real vote (deciding) on whether to form a municipality will occur when the referendum is submitted to the registered voters within the boundaries of the municipality, currently planned for the 2016 general election. Signing the petition allows the community to kick start the process and determining if a municipality is a good thing for our community.

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3. How many people are required to sign a petition for referendum vote on forming a municipality?

Per Maryland code, within 18 months, a petition must be signed by at least 20% of qualified voters and 25% of owners of assessed property or a petition signed by at least 25% of the qualified voters (without property owners) . The Organizing Committee chose to use the second method which means that at least 25% of the registered voters within the boundaries must sign the petition.

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4. When the referendum for forming a municipality is submitted to the voters, who votes on the referendum?

The referendum is submitted only to the registered voters of the area proposed for Incorporation and is conducted as any other countywide election. The vote is taken on the question of incorporation and approval of the proposed charter along with a slate of officers to fill any municipality elected offices – reference MML Incorporation Handbook and Maryland Code.

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5. Will there be a special election?

If the petition complies with the law's requirements, the county governing body passes a resolution specifying the day and hours for the election. The referendum must take place between 40 and 60 days after the passage of the resolution. The organizing committee's goal is to have a vote at the November 2016 general election.

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6. How were the boundaries of the proposed municipality determined and why were some areas currently in CRE excluded?

The proposed boundaries considered a balance of residential as well as commercial properties, and followed the general legal guidelines for establishing municipal boundaries. Maryland law states that a municipal incorporation may not create enclaves. It was not clear to the committee whether including the "T" section without including the entire Soundings would result in the Sounding being considered a county enclave which would invalidate the current petition for municipal incorporation.

Considering the short timeframe to submit the petition and start the actual petition drive, the committee decided that it was in the best interest of the municipal petition effort to exclude the "T" section in the initial municipal boundaries, further explore the enclave issue, and discuss the annexation process with POACRE/"T" section members as a near-term alternative if the municipality is approved.

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7. What is the process for forming a municipality?

The Annotated Code of Maryland prescribe the manner in which a new municipal corporation is incorporated under Article XI-E of the Maryland Constitution.

In order to incorporate, a community must:

- Consist of a minimum of 300 residents in the area proposed for incorporation.
- A petition to incorporate must be submitted to the county in which the area proposed for incorporation is located.

If the community's petition satisfies requirements, the county shall appoint a liaison to work with the community's organizing committee. The liaison will coordinate exchange of information between the county and the Organizing Committee.

A charter will also be developed by the Organizing Committee based on input from the public.

Next, the county may schedule a referendum on the matter of incorporation or reject a proposed incorporation.

However, if a county rejects a referendum request, the county must provide in writing the reasons for the rejection and establish reasonable procedures for reconsideration of its rejection, including an opportunity for a public hearing.

The county may then schedule a referendum on incorporation or affirm its earlier rejection.

If the incorporation effort advances to referendum, and the voters of the community approve incorporation, the county must proclaim the results within ten days after receiving certification from the board of supervisors of elections.

Subject to certain required statutory procedures, the incorporation takes effect 30 days following the proclamation.

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8. What form of government will the municipality have?

Neither the Maryland Constitution nor the Annotated Code of Maryland prescribes the forms of government for municipal corporations. Article 23A, Section 9(a) of the Annotated Code of Maryland merely states that, "the term municipal corporation shall include all cities, towns and villages, now or hereafter created under any general or special law of this State for general governmental purposes, which are subject to the provisions of Article XI-E of the Maryland Constitution, which possess legislative, administrative and police powers for the general exercise of municipal functions, and which carry on such functions through a set of elected and other officials."

Given these broad guidelines, the forms of government that the municipal corporations have developed can be grouped into three basic categories:

- Commission;
- Mayor - Council; and

- Council - Manager.

According to 'a recent survey by the Maryland Municipal League, approximately 45 percent of municipal corporations utilize the mayor-council form of government. Some mayors are "stronger" than others, meaning, they have veto power over legislative actions of the council; others share power as a member of the council. Of the other forms, approximately 33 percent have commissions and approximately 22 percent use the council-manger structure. Within each category, there are variations as to the qualifications, number, terms, and duties of municipal officials. Titles of municipal officials also vary; for example, in some municipal corporations, such as the Town of Middletown, the title Burgess is used.

Because municipal corporations are not subject to Article MI of the Maryland Constitution (Quadrennial Elections), they have considerable discretion in the manner in which local officials are elected. Local election procedures are outlined in the charters of the municipal corporations. Municipal charters establish the terms of office and dates of elections. Often, the terms of office for municipal officials are staggered. With limited exceptions, the State election law does not apply to municipal elections. However, Article 33 of the Annotated Code of Maryland requires that municipal corporations generally must comply with universal registration provisions and Article 23A, Section 47 of the Annotated Code requires municipal corporations to allow voting by absentee ballot. Municipal corporations may rely on county election boards to administer municipal elections. Overall, the flexibility that municipal corporations possess in election matters contributes to the autonomy of Maryland's municipal corporations.

A significant development in the way municipal corporations operate is the marked growth in the number of managers or administrators appointed by municipal governing bodies. According to the Maryland Municipal League, among Maryland's municipal chief appointed officials, there are 35 municipal mangers, 23 administrators, and 12 circuit-rider administrators. This trend may be attributable to the increasing complexity of running municipal governments which creates a need for trained, experienced individuals to implement the policies developed by elected officials. Municipal managers

may provide the corporate memory and attention to details that policy-oriented and often transient elected officials frequently cannot offer.

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9. Will the amenities (beaches, campground, gardens, lake, and airport) be privately owned when a municipality is formed?

There are several options for dealing with the amenities: They could be kept private under a smaller HOA, could be managed by the municipality with an option for free access for municipality residents and charging fees for others, or some other combination of these options. POACRE, as the HOA, owns the amenities and it will be up to the HOA members to decide how amenities will be addressed under a municipality. Prior to the referendum, any transition or change to the amenities that will be incorporated into the charter of the municipality needs to be determined by the HOA and communicated to the municipality Organizing Committee.

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10. What happens to the Chesapeake Ranch Water Company?

Status will not change as a result of a municipality forming.

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11. What will happen to residents living in the T-section of the Soundings since they are outside the boundaries of the municipality?

Municipal incorporation will not change POACRE's present form of governance or ownership of property. POACRE, including the "T" section, will continue "status-quo" as a private HOA as long as the members desire to retain that method of governance.

It is up to the members to convey to the POACRE BOD their ideas/desires as to what is in the best interest of POACRE. Attending the municipal information meetings is a good way for citizens to evaluate the "status quo" vs benefits from "municipal incorporation."

The information presented provides a basis for members to objectively convey their desires for current and future governance of POACRE. Member desires can result in a

POACRE referendum for a variety of changes regarding POACRE governance and property ownership. If the residents wanted, they could pursue annexation after the fact if they run into problems dealing with POACRE and the County. As far as the roads, the primary artery through the T-Section is already a County Road (Soundings Rd) and Binnacle Ct. as is the one side loop in the Soundings. So, it is reasonable to believe that they could more easily follow the Soundings and get all their roads converted to County than the main part of POACRE could. Annexation, secession or dealing with POACRE to find a separate resolution are their only options.

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12. Will there be road fees under a municipality?

Until the POACRE covenants are changed, there will always be a roads fee.

Depending on POACRE decisions, it may be minimal but it will exist as a requirement of the covenants. The STD is in its third year so it will go for the full 5 years based on the current schedule for municipality incorporation. POACRE has to transfer the current "Roads" Public Use Easement from the county to the municipality. That will allow the municipality to continue providing State Highway User Revenue (SHUR) to POACRE and/or allow POACRE to contract roads work to the municipality. Additionally, POACRE currently only receives the gas tax revenue; however, transferring the easement to the municipality would allow the municipality to request the vehicle registration portion of the SHUR for roads maintenance etc, The roads in the "T" section are included in the POACRE's "roads" public use easement so they can continue to receive maintenance using public funds. Turning the roads over to the municipality would be the next step which requires a membership vote.

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13. Will my taxes go up?

Preliminary figures show that you will not have to pay anymore than you do now and we expect to see a savings with the elimination of at least the STD at \$250.

Other HOA fees could also be reduced or eliminated (by a majority vote of HOA members) as income from other sources comes in. However, the municipality taxes will

depend on the services provided by the municipality. Services provided will depend on what the residents of the municipality request or require. Residents are already paying real estate taxes, income taxes, gas taxes, license fees, etc. A portion of those taxes and fees are actually returned and given back to municipalities. Additionally, any municipality tax is tax deductible which HOA fees are not.

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14. Is there a “transition period” to set up the municipality?

The only reference to a transition in the Maryland code is Title 4-215 Local Income Tax Distribution. Only the income tax distribution is subject to a phase-in under law. State Shared Revenues and Property Tax Set-off are not based on a similar distribution schedule. Zoning cannot be altered that was set up by the county for up to three years. Other areas like the HOA amenities would be in a transition set up between the HOA and municipality.

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15. How could the Metropolitan Planning Organization (MPO) affect the possibility of the Chesapeake Ranch Estates in Lusby incorporating into its own municipality, as CRE is within the MPO?

Per Calvert County Principal Planner Pat Haddon, the MPO will not affect the process to become a municipality, but after the possible incorporation happens, the municipality becomes a participant in the MPO and would be eligible for a part of the funding available. The funding available would not increase as a result of municipal incorporation (Calvert Recorder August 8, 2014)

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16. What is a Priority Funding Area (PFA)?

A Priority Funding Area (PFA) is a growth area defined by state law and designated by local governments to target state infrastructure investment.

Chesapeake Ranch Estates and adjacent areas were designated as a Rural Village which is considered a PFA. However, HOAs don't seem to be a high priority for funding while Municipalities can apply directly for various loans/grants as a PFA.

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17. What is a Designated Sustainable Community?

Sustainable communities are also state programs. Places designated by the state of Maryland as sustainable communities are to provide focal points for dense mixed-use economic development and revitalization.

Sustainable Communities Act of 2010 allows certain areas to be eligible for grants, loans and tax credits. The act combined two programs: Community Legacy and BusinessWorks.

Currently, the county's designated sustainable community areas include the entire municipality of North Beach, a portion of Chesapeake Beach, a portion of the Prince Frederick Town Center and the town centers of Dunkirk, Lusby and Solomons.

As a result of sustainable community designations and the programs that were combined in the Sustainable Communities Act, the county has received millions.

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