



ROBERT G. CASSILLY

Harford County Executive

FOR IMMEDIATE RELEASE

November 26, 2024

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Harford Executive Cassilly Vetoes Tourism Spending Bill That Violates County Charter, Imposes Spending Mandate

BEL AIR, Md., (Nov. 26, 2024) - Harford Executive Bob Cassilly has vetoed legislation that directs approximately \$750K in hotel tax revenue to a non-government entity in violation of the County Charter.

Bill 24-031 is the County Council's second attempt at imposing a spending mandate for tourism marketing that usurps the executive branch's responsibility under the charter for developing the county budget and providing oversight of taxpayer funds.

The current bill is similar in all aspects to one that was introduced by the council and vetoed by the county executive in January, except that the current bill specifies the county's previous tourism marketing organization, Visit Harford, as the organization mandated to receive hotel tax revenue. By doing so, the current bill circumvents competitive bidding and other procurement regulations that ensure fairness and transparency for taxpayer-funded purchases.

Visit Harford had been the county's tourism marketing organization, designated as such by the county executive. Rather than continue to outsource these efforts, County Executive Cassilly moved tourism in-house under the county's department of economic development, which issues contracts for specific marketing services. The county executive's move aligns Harford with how most Maryland counties manage tourism.

“As with the prior failed bill, this legislation illegally directs \$750K in annual hotel tax revenue to a non-governmental entity in violation of the County Charter,” County Executive Cassilly said. “The fact that a specific non-governmental entity is named in the current bill does not make it legal. I have a sworn duty to ensure accountability for taxpayer dollars and to uphold the charter and that is exactly what I will continue to do. This bill is inconsistent with good governance and an affront to fiscal responsibility.”

County Executive Cassilly’s veto message to the County Council is attached.

ROBERT G. CASSILLY
Harford County Executive

ROBERT S. MCCORD
Director of Administration



JEFFERSON L. BLOMQUIST
County Attorney

MEMORANDUM

TO: Patrick S. Vincenti, Harford County Council President
Members of the Harford County Council

FROM: Robert G. Cassilly, Harford County Executive

DATE: November 26, 2024

RE: Bill 24-031 – Hotel Occupancy Tax

I am vetoing Bill 24-031, as amended, pursuant to Section 311 of the Harford County Charter (the "Charter").

The mandated spending provided in this Bill and pursuant to Section 123-68 of the Harford County Code violates Sections 302, 414, and Article V of the Charter. These Sections, and Article V of the County Charter as a whole, set forth the process for accounting for and allocating tax revenues via the County budget process. Bill 24-031, in contrast, aims to dictate how the County will spend hotel tax revenues in clear violation of County Charter provisions.

Article V of the County Charter is a key part of our governmental structure, intended to support the fundamental concept of separation of powers that lies at the heart of our Nation's Constitution and the Harford County Charter. By adhering to the County Charter's budgetary restrictions and process, our County has wisely avoided one of the State's most serious challenges to runaway spending and good governance. Spending mandates of the General Assembly at the State-level have become so prevalent that such mandates seriously impede the ability of the Governor to effectively and responsibly manage government spending.

This Bill would bring into Harford County government the General Assembly's preference of damaging spending mandates in violation of Article V of the County Charter. We must not allow such flexibility to be misused to dilute the fundamentals of good governance that our predecessors worked so hard to instill.

Article V of the Charter directs the County Executive to specify the revenues collected in the previous fiscal year and the estimated revenues that will be collected in the coming fiscal year. Charter § 506(1), (7). The County Executive then has the exclusive power and responsibility for

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determining how revenues will be expended in the coming fiscal year, with the exception of the budgets for the County Council and the Board of Appeals. Charter §§ 506, 509, 510, 504.

The power of the County Council with respect to the expenditure of County revenues, excepting their budget and the budget of the Board of Appeals, is limited to deleting or decreasing such expenditures. Charter §§ 512, 504.

The hotel tax generates approximately three-quarters of a million dollars of revenues. Neither the enabling legislation for the tax nor the Charter permits the County Council to dictate how such revenues are allocated and spent. *See* Md. Code Ann., Local Gov't § 20-403(a); Charter Article V. If a hotel tax is to be distributed contrary to a county's budget process, the Maryland General Assembly, not a county legislative body, must establish how such revenues will be dispersed. *See* Md. Code Ann., Local Gov't §§ 20-415.1, 20-416 through 20-422.

Furthermore, no Charter provision or state law authorizes the County to mandate the spending of hotel tax revenues to fund a non-government entity that is outside of the County procurement process in order for the County Council to avoid the procurement regulations and transparencies intended by the Charter to protect taxpayers' interests through strict transparency and fairness requirements.

Further, Charter § 302(5) provides that the County Executive "shall . . . insur[e] that County funds in excess of those required for immediate needs are invested in the best interests of the County." Bill 24-031 strips the County Executive of any say in the matter of how funds received from the hotel tax are spent. This Bill would make it impossible for the County Executive to faithfully fulfill the duties of § 302(5) because the Bill mandates the expenditure of appropriated funds to a specific entity, without any other consideration as to the reasonableness of said expenditure or the benefit to the County. Therefore, Bill 24-031 is violative of Charter § 302(5).

Additionally, the budget for Fiscal Year 2025 already has been balanced and adopted. Bill 24-031 requires monthly disbursement of County revenues in violation of the approved operating budget for FY 2025. Revenues have not been budgeted for the payments mandated by Bill 24-031. Again, pursuant to Charter § 512, the Council may only decrease or delete items from the budget, it may not add sums to the budget. Bill 24-031 adds items to the budget in violation of the budget process, including Charter § 512.

Harford County Charter § 414 provides that the Department of Procurement is generally responsible for purchasing and contracting for supplies and contractual services. Bill 24-031 attempts to circumvent the Department of Procurement entirely by mandating that appropriated hotel tax funds be spent on a specific organization, without consideration of any other factor and removing any and all discretion and procedure from the use of said funds. Therefore, Bill 24-031 violates § 414 of the Charter.

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Harford County Charter § 525 provides that the Council shall prescribe by law competitive bidding for any single purchase or contract with the County, other than professional services customarily negotiated. **Bill 24-031 would serve to mandate the expenditure of nearly three-quarters of a million dollars of taxpayer money to a specific non-government entity. This would entirely frustrate the clear intent of the County Charter for the County to implement competitive bidding on contracts that are out of the ordinary.** Therefore, Bill 24-031 violates § 525 of the Harford County Charter.

For the reasons stated above, I must VETO Bill 24-031, as amended.



Harford County Executive

11/26/24

Date

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