

SPECIAL COMMUNITY BENEFIT DISTRICTS

Current Assessment is \$80 per Lot per Year as of April 2010

A lot of residents ask questions about where LTPOA gets its funding and how those funds are spent. Since a portion of your County tax dollars are going to LTPOA, it makes sense that people would want to know how this works. The following article is meant to give an overview of special taxing districts like ours.

There are three types of special taxing districts in Anne Arundel County. Each type of district is established by legislation of the County Council.

Special Community Benefit Districts
Shore Erosion Control Districts
Waterways Improvement Districts

The London Towne Property Owners' Association, Inc. is a Special Community Benefit District. We were designated a special assessment area by the Maryland General Assembly in 1939 and designated a Special Community Benefit District in 1965.

Special Community Benefit Districts, like ours, are formed for a wide variety of purposes—the community itself wants some public benefit that it would not receive otherwise. Purposes for forming into a Special Community Benefit District might include: to maintain community owned property or private roads, to offer special security or police protection, to improve community facilities, or to have certain insect or pest control programs.

If you were to read the LTPOA charter, written in 1932 when the Association was formed, you would see that the original trustees named three purposes for having this Association:

To own, maintain, improve, beautify and keep the beaches, parks and public buildings and structures, and to maintain, improve and beautify the streets, roads and avenues at Woodland Beach;

To own, operate and maintain at Woodland Beach, a club or community house for social, civic, and recreational purposes;

To promote and protect the rights and interests of the property owners at Woodland Beach.

No doubt, those same reasons were behind the Association's wish to be a special taxing district in the 1930's.

In each Special Community Benefit District, the community members determine a tax rate each year to produce the revenue necessary to fund the benefits they desire for the coming year. As property owners, we are taxing ourselves to fund the particular benefits for which our Association was formed. We tell the County what tax rate to collect and they do it, in conjunction with any other County taxes they levy. That's where the funding comes from for our Association.

In March, 2005, our property owners voted to levy an assessment of \$50 per lot per year to fund the Association for the fiscal year 2006. Again in April 2010, our property owners voted to increase the per lot assessment to \$80 per lot per year for the 2011 fiscal year. The budget is then established by the Board based on the assessment amount of revenue.

The County Code specifies certain requirements that must be met by taxing districts and certain obligations that go along with taxing district status:

Each taxing district must be administered by a community association that is incorporated, that is open to all property owners in the district, and that represents a majority of property owners in the district.

Each district must prepare and submit to the County a yearly budget detailing how tax funds collected will be spent and the tax rate necessary to support the budget.

Each district must pay to the County a yearly administrative fee that is a percentage of the special taxes assessed on the properties in the district. Currently, the rate is 5%, with a minimum of \$100 and a maximum of \$2,000.

Special Community Benefit Districts must submit yearly financial reports that are reviewed by the County Auditor and are subject to stringent State of Maryland regulations.

There are 62 Special Community Benefit Districts in Anne Arundel County. The law concerning Special Community Benefit Districts appears in Article 6, Section 2 of the Anne Arundel County Code.

Expenditure of Special Community Benefit District assessments must be consistent with line items approved in the annual budget adopted by the County Council. The fiscal year begins July 1, although taxes are not considered overdue until after September 30th. The County's first disbursement of assessments back to the community does not generally occur until after 30 days following the close of the tax payment period—meaning we get our funds on or around November 1 each year. LTPOA always holds some funds aside to pay bills between July 1st (the start of the fiscal year) and when we actually receive our funding for the current year.