

I think this is a matter of some misunderstanding, and I, therefore, want to emphasize that the Committee Recommendation retains for existing municipalities, not only their existing charter powers, but also those powers authorized by law. Existing municipal corporations are permitted by law to amend their charters. The intention of this provision is to continue to permit them to do that, subject, however, to control by the General Assembly.

Section 7.08 affirms that the county shall have the right to create new municipal corporations and civil units as defined in section 7.01. The need for a grass roots local organization, whether incorporated or unincorporated, has been recognized by this provision for civil units. It would allow a governmental forum for direct citizen participation and solution of problems of less than countywide concern. However, the General Assembly is authorized to set up procedures and standards if desirable to provide a degree of statewide uniformity for civil units and also for new municipal corporations.

Any new municipal corporation created by the county may have its structure and powers determined by the county. I have already mentioned that the General Assembly may by general law enter into the field and establish standards and procedures for this.

Section 7.09 makes clear that the counties can delegate to and withdraw from municipalities within their boundaries such additional powers as it wants and that the General Assembly also could do this.

Let me speak a little more about civil units, if I may. As you all are aware, no new municipalities have been formed in this State since 1954, at which time the legislature gave each county a veto over creation of new municipalities within the county. It is not likely that counties will create new municipalities in the future. They may, but probably will not because it creates a competing power structure within the county.

Yes, testimony before the Committee indicated an inability to provide services in certain areas of some counties where population concentrations exist. In just a few years, a number of counties will have 600,000 or more people. Therefore, the larger counties need to form civil units to provide county services to these areas of concentration. They can also provide, as I mentioned, a forum for participation by citizens. These can be little city halls where

citizens can be heard, and know someone is listening to them.

The local government article is short. Although new, the civil unit concept is clearly defined. We strongly urge that this provision be adopted.

Let us turn to section 7.11. This section is intended to limit the amount of authority which can be granted or delegated to intergovernmental authorities to finance their activities. Its purpose is not just to clarify the limitations on the power of authorities to tax for the purposes of the local government article. I mentioned that because the Committee on State Finance and Taxation is recommending a section in the general provisions article, providing that only popularly elected representative government will have power to tax.

Section 7.11 also makes crystal clear that authorities may collect taxes which have been imposed by another government and may impose service and benefit charges. This is essential if operations such as the Maryland Port Authority and Washington Suburban Sanitary Commission are to continue.

Section 7.12 relates to credit limitations on all local governments. It is intended to have the same meaning as the Commission draft section 7.13, but we organized it according to the latest information we had from the Committee on Finance and Taxation to coincide with a similar provision relating to a limitation on state credit. This is, I think, recommended section 6.02, in SF-(3).

A gift of assets requires a unit to provide currently the money or other assets to be transferred, and for this reason there is no extraordinary vote of the governing body is required.

On the other hand, a gift of credit or loan of credit or loan of assets, unlike an immediate gift of assets, may involve a continuing liability of the unit for the credit extended or the asset lent. Accordingly, we agree that local governments should be required to provide for these actions by a $\frac{3}{5}$ majority of their governing boards, just exactly as the State is required to do. We make it clear, however, that the General Assembly may impose additional credit limitations on units of local government. This is clearly permitted by this provision.

The last provision is section 8.06, Intergovernmental Cooperation and Agreements.