

City of Rockville
Leadership Planning Team Meeting Notes
March 9, 2026

Meeting Participants:

Mayor Ashton
Councilmember Jackson
Councilmember Van Grack
Councilmember Shaw
Jeff Mihelich, City Manager
Sara Taylor-Ferrell, City Clerk/Director of Council Operations
Barack Matite, Deputy City Manager
Dave Gottesman, Assistant City Manager
Linda Moran, Associate City Manager

Agenda Review

March 9, 2026 Meeting Agenda

Comment: Councilmember Van Grack noted that the next meeting on March 23 might draw more public comment about the budget as it was released last Friday, March 6 and people may need more time to review it

Comment: Mayor Ashton shared her appreciation for staff adding the consent item related to municipal revenue

March 23, 2026 Meeting Agenda

Comment: Mayor Ashton mentioned a need to collaborate with WSSC on a letter to Congress related to the repairs on the Potomac Interceptor

Response: City Manager noted that WSSC is sending the city a draft, then the city will be able to act on it

Review and Comment on the Six Month Agenda Planning Calendar

Comment: Mayor Ashton requested that a schedule be added for the Election Code process, preferably by March 23

Response: City Manager said that he will confer with the City Attorney on this

Comment: Councilmember Van Grack requested that all the 2026 meeting dates be added to the 6-month calendar, with the City Clerk double-checking accuracy, so that there is a single place he can refer to for dates and scheduling

Comment: Mayor Ashton requested the following items be added to the 6-month calendar or Parking Lot as appropriate:

- Boards and Commissions reports
- BRT update from the County
- Air Conditioning component of the Building Code (not the Landlord-Tenant Code) and can it be accelerated

Response: City Manager noted that staff is in communication with the County about a BRT presentation, and that he will be sharing information about Air Conditioning rules with the body soon

Legislative Review Team Meeting

March 9, 2026

Mayor Ashton
Councilmember Barry Jackson
Councilmember Shaw
Councilmember Van Grack
Jeff Mihelich, City Manager
Robert Dawson, City Attorney
Sara Ferrell, City Clerk/Director of Council Operations
Barack Matite, Deputy City Manager
Dave Gottesman, Assistant City Manager
Linda Moran, Associate City Manager

Review of Legislative Issues:

Issue: Budget Reduction to Rental Housing Works (RHW) Program in the Governor's Budget from \$85 million to \$65 million. Staff recommended sending a statement to the Senate Budget and Taxation Committee asking that the funding be restored.

Action: The Mayor and Council approved the staff recommendation.

Next Steps – Staff will draft a statement asking for the restoration of the RHW program funding and will send it to the Senate Budget and Taxation Committee. Additionally, staff will look into whether the funding cut was made because of Federal cuts and will report back at the next LRT meeting.

Bill – SB 12 (HB 153) – Residential Rental Apartments – Air Conditioning Requirement

Position – Support for the House passed amended version, which allows for local governments to enact and enforce air conditioning requirements that are more stringent than State law.

Next Steps – A support letter will be sent to the Senate Judicial Proceedings Committee for the House amended version.

Legislative Status Updates:

The City Manager provided updates on the budget process and Legislative Bond Initiative timing, and updates on select legislation of interest to the Mayor and Council.

SB 31 – (HB 337) – School Construction and Housing – School Zones and Adequate Public Facilities Ordinances

Status – The City Manager recommended that the City continue to monitor the bill, given MACo's opposition and MML's no position status. Rockville's State lobbyist has been in contact with Senator Lam, the bill sponsor, regarding the amendment. If the bill goes forward, the Mayor and

Council would like to see an amendment to allow municipalities with planning and zoning authority to have their data included alongside school data. This does not represent support for the overall bill.

Next Steps – Staff will continue to monitor the legislation and will share the amendment when it is available.

General Comments:

- Mayor Ashton noted that she has been speaking with the County on school CIP issues. She requested that those who will speak on behalf of the City at the upcoming Board of Education hearings please share their testimonies so that the body can review them.
- Mayor Ashton noted that she is looking forward to the meetings with the County Council and Board of Education.
- The City Manager noted that staff has begun outreach with the BOE Chief of Staff. City staff is doing all that it can to get the meetings set up. City staff is waiting for a definitive and affirmative response from the BOE staff.

Legislative Review Team Meeting
March 9, 2026 Meeting
State Legislation Status Update

Session Status

- At this stage of the Session, we are past the bill introduction deadlines. Committees are holding bill hearings later into the evenings.
- Committee voting sessions have also increased in an effort to move bills to the Senate and House floor before the crossover deadline of March 23.
- Bills that do not receive approval by the opposite chamber by crossover have less chance of passage. We have about 5 weeks left in the session.

Budget Process – Fiscal Year 2027

- Over the next month, the General Assembly will be immersed in budget deliberations. The General Assembly is addressing a budget gap of approximately \$1.5 billion in FY27. The Senate Budget and Taxation Committee will take the lead in reviewing the budget first, as it is an even-numbered year.
- The budget is currently under legislative review through committee and subcommittee hearings in both the Senate and House of Delegates. Decisions have not yet been made.
- The legislature must complete budget action by April 6.

- **Budget Reduction to Rental Housing Works within the Department of Housing and Community Development Budget**

- The Governor’s budget reduces funding by \$20 million, taking it from \$85 million down to \$65 million.
- Maryland’s Rental Housing Works (RHW) program is designed to provide subordinate gap financing through low-interest, long-term loans to support the construction and preservation of affordable rental housing statewide
- The RHW program has been essential in helping to preserve and expand affordable housing in Rockville. With assistance from RHW, Rockville Housing Enterprises has been able to move forward with two major projects: Parkside Landing and Scarborough Square, to preserve and modernize affordable housing. Overall, RHW strengthens our neighborhoods and supports the Mayor and Council’s affordable housing priority.
- **Requested Action:** *Staff requests Mayor and Council support for a brief statement requesting an amendment that removes the reduction and instead maintains current funding levels at \$85 million.* The statement would be provided to the Budget and Taxation and the House Appropriations Committee. Staff and the City’s State

lobbyist will bring Delegate Spiegel's Office up to speed on this, as he is on the House Appropriations Committee. The bill hearings have occurred.

- **Legislative Bond Initiatives**

- The Twinbrook and Dogwood Parks Pedestrian Bridge Project have been introduced.
 - \$325k in the Senate
 - \$500k in the House
- Maryland Capital Budget Timeline:
 - Early March: Rockville submitted the required forms in the House and Senate before the March 6 deadline.
 - Late March–Early April: Each chamber reviews introduced LBIs; approved LBIs are incorporated into the capital budget bill.
 - Mid-April: Both chambers vote on the final capital budget bill, including all approved LBIs. (83rd day - April 6th)

Legislative Updates

HB 1142: Task Force to Modernize County and Municipal Revenue Structures

A Consent item for the Mayor and Council to adopt the MML resolution has been added to the March 9 agenda. MML shared that the House bill hearing was very positive. They are hopeful that the bill will make crossover and will be forwarded to the Senate Budget and Taxation Committee. MML is asking its membership to pass its template resolution in support of the bill. MML stressed the study is critical due to the more than \$3 billion dollar projected budget deficit in FY28. Municipalities will need this data to protect municipal HUR in FY28.

New Bill Request: SB 12 (HB 153): Residential Rental Apartments - Air-Conditioning Requirement

This bill requires a landlord of residential rental units in apartment buildings with four or more individual dwelling units to provide air conditioning. SB 12 was heard on January 20 and has not been added to a voting schedule. HB 153 was heard on 2/5, amended in Committee, and passed out of the full house on 3/5 (vote 94-35). The amendments say, "This section does not preclude a political subdivision from enacting and enforcing air-conditioning requirements for residential rental units that are more stringent than the requirements of this section." If the Mayor and Council support the House amended version, they could email a support letter to the Senate Committee, or the City could ask for the Senate crossfile to mirror the amended House version.

SB 31 (HB 337): School Construction and Housing – School Zones and Adequate Public Facilities Ordinances

Both bills were heard on 2/17. Senator Kagan has indicated that she would like to amend the legislation to allow municipalities with planning and zoning authority to have their data included alongside school data. The Mayor and Council support the concept of the amendment. The State lobbyist has been in contact with the bill sponsor, Senator Lam, regarding the proposed amendment. *Of note, MACo has expressed strong opposition (MML no position) to the land use provisions of the bill, MACO stated "This bill would require counties to partially process development applications even when they do not meet local Adequate Public Facilities Ordinance (APFO) standards—diverting limited staff time, delaying projects that are ready for approval, and wasting public resources."*

HB 601: Montgomery County - Stop Sign Monitoring Systems Pilot Program - Gaithersburg and Rockville MC 5-26 has crossed over to the Senate. It passed the full House on March 4th with a vote of 95-28. The bill will now go to the Senate Judicial Proceedings Committee for consideration.

SB 266 (HB 35): Local Government - Regulatory Powers - Regulation of Tree of Heaven The House bill passed the full House as amended with a vote of 128-8. It will now be considered in the Senate Education, Energy, and Environment (EEE) Committee. EEE has not brought the Senate version to a vote yet. The amendment language: (1) expands counties/municipal authority to regulate any tree on the State's Prohibited Invasive Plant List, in addition to bamboo and trees of heaven specifically; (2) prohibits a person from *allowing* listed invasive trees (including trees of heaven) to grow on their property; and (3) adds authority for native tree replacement programs to incentivize the removal/eradication of trees of heaven *and other listed invasive trees*.

Housing

HB 691 - State Government - Procedures - Permitting Efficiency for Housing Development Projects received a favorable report in the House Economic Matters Committee. Next, the bill will be reported to the House floor for consideration.

HB 168 – Housing and Community Development -Affordable Housing – Educator Workforce and Municipal Corporations. There has been no further activity since the bill hearing was held on 2/5. Staff and the State lobbyist will continue to monitor.

HB 434: Residential Leases - Use of Algorithmic Device by Landlord to Determine Rent, Occupancy, and Lease Terms – Prohibition was heard on 2/19. The bill sponsor, Delegate Palakovich Carr, is working on some amendments and will share them with the State lobbyist once they are finalized. The firm will keep the City informed.

SB 389 (HB 894): Land Use - Transit-Oriented Development - Alterations (Maryland Transit and Housing Opportunity Act) - Both bills have been heard, and stakeholders are working through amendments. The bill was expected to be in a clearer position by Friday, and the state lobbyist will share amendments once they are finalized.

HB 548 (SB 325): Land Use - Permitting - Development Rights (Maryland Housing Certainty Act) and **HB 239 (SB 36): Land Use - Zoning - Limitations (Starter and Silver Homes Act of 2026)** are both currently undergoing amendments and have generated significant stakeholder feedback. Legislators and the Department of Housing and Community Development (DHCD) are continuing to evaluate the bills and consider potential revisions as discussions move forward. Upcoming work sessions may help clarify which provisions remain viable. The State lobbyist is in contact with MML and will continue to monitor both bills closely and will flag any significant developments as the legislation progresses.