

**CHARTER OF INCORPORATION
FOR
SECTION 3 OF THE VILLAGE
OF
CHEVY CHASE**

Montgomery County

Maryland

**ARTICLE I
ADOPTION OF CHARTER AND
GENERAL CORPORATE POWERS**

Section 101, Adoption

The residents of Section 3 of the Village of Chevy Chase, Montgomery County, Maryland, hereby adopt this Charter for the purpose of establishing a municipal corporation by the name of Section 3 of the Village of Chevy Chase, with all the privileges of a body corporate and, by that name, sue and be sued, plead and be impleaded in any court of law or equity, have and use a common seal and have perpetual succession, unless this Charter and the corporate existence are legally abrogated.

ARTICLE II

CORPORATE BOUNDARIES

Section 201, Boundaries

The corporate limits of Section 3 of the Village of Chevy Chase shall be the subdivision in Montgomery County, Maryland, made by the Chevy Chase Land Company of Montgomery County, and known as Section 3, as per plat recorded among the land records of said Montgomery County. Section 3 is within the Regional District of the Maryland National Capital Park and Planning Commission.

ARTICLE III

DEFINITIONS

Section 301, Definitions

The following terms wherever they appear in this Charter shall have the meanings stipulated to this Article:

"Code" shall mean the Annotated Code of Maryland.

"Council" shall mean the Village Council of Section 3 of the Village of Chevy Chase, the governing body herein created.

"County" shall mean Montgomery County, Maryland.

"County Council" shall mean the County Council of Montgomery County, Maryland or any body succeeding to the functions and duties of the County Council.

"Qualified Voter" shall mean any person who is a resident of Chevy Chase Section 3, without regard to citizenship, and is at least eighteen (18) years of age. The Council may maintain registration lists of residents of Section 3 for use in local elections.

"Section 3 of the Village of Chevy Chase" or "Section 3" shall mean the corporate body herein created.

"Written notice" shall be deemed to include notice by means of a newsletter or other written material circulated to all residences located within Section 3 whether addressed by specific name or to the location of each such residence.

ARTICLE IV

THE VILLAGE COUNCIL

Section 401, Number, Selection, Term

There is hereby established a Village Council of five members to administer the affairs, fulfill the obligations and carry out the responsibilities of Section 3 as herein provided. Council members shall be elected, as hereinafter provided, to terms of two years which shall expire on the second Tuesday in May or upon the election and qualification of their successors, whichever is later.

Section 402, Qualifications of Council Members

Council members shall be qualified voters and shall actually reside in Section 3 during their term of office.

Section 403, Officers

The Council shall elect from among its members a Chairman, Vice-Chairman, Treasurer, Secretary and Building Inspector.

(a) The Chairman shall preside at meetings of the Council, countersign checks properly issued by the Treasurer and perform such other duties as designated by the Council.

(b) The Vice-Chairman shall preside at meetings in the Chairman's absence and perform such other duties as designated by the Council.

(c) The Treasurer shall be the custodian of all funds which are received to the credit of Section 3 and shall deposit or invest all such funds in federally or Maryland-state insured banks, savings and loan associations, obligations of the United States, obligations guaranteed or insured by the United States or in such other such investments as may be permitted by the laws of the State of Maryland. All deposits or investments shall be approved by the Council. The Treasurer shall disburse funds of Section 3 as instructed by the Council by check duly signed by the Treasurer and countersigned by the Chairman. In the absence or unavailability of the Treasurer or Chairman, the Council may authorize other Council members to sign and countersign checks.

(d) The Secretary shall be the custodian of all records, correspondence and other documents and property of Section 3 and shall keep accurate minutes of all meetings and perform such other duties as designated by the Council.

(e) The Building Inspector shall be responsible for the enforcement of the building and sanitary ordinances and regulations enacted by the Council or such other duties as designated by the Council.

Section 404, Quorum

Three members of the Council shall constitute a quorum for the transaction of business; provided, however, that all actions involving passage of ordinances and regulations under Section 501, the election of officers, the certifying of tax rates, and the authorization of expenditures of funds in excess of \$500, except for the payment of current bills, shall require the affirmative vote of at least three members of the Council.

Section 405, Meetings

The Council shall meet at such times and places as are required to discharge its responsibilities. All meetings of the Council shall be open to the public and the rules of the Council shall provide that residents of Section 3 shall have a reasonable

opportunity to be heard at any meeting. Nothing contained herein shall be construed to prevent the Council from holding executive sessions, as provided for in Article 76A of the Code, but no ordinance, resolution, rule or regulation shall be finally adopted by any such executive session.

Section 406, Procedures of the Council

The Council shall determine its own rules and order of business. It shall keep minutes of its proceedings and enter therein the yeas and nays and abstentions for final action on any question, resolution, ordinance or regulation or at any other time if requested by any one member. The minutes shall be open to the public for inspection.

Section 407, Vacancies on the Council

In the event of a vacancy on the Council for any reason, the Council, by majority vote of the remaining members, shall appoint a person qualified under Section 402 to fill such vacancy until the next regular election.

Section 408, Transition

(a) The five members of the Citizens' Committee of Section 3 of the Village of Chevy Chase holding office under the provisions of Section 3, Chapter 172 of the Acts of the General Assembly of Maryland, 1916, at the time this Charter becomes effective shall constitute the initial membership of the Council established herein and shall continue to hold office for the term for which they were elected to said Citizens' Committee and until their successors are elected and have qualified under the provisions of this Charter.

(b) All funds, records, correspondence, documents and property of said Citizens' Committee are hereby transferred to the Council.

(c) All valid actions of said Citizens' Committee performed under the provisions of Section 3, Chapter 172 of the Acts of the General Assembly of Maryland, 1916 and not inconsistent with the provisions of this Charter, shall be and are hereby declared to remain in full force and effect unless and until properly modified or rescinded in accordance with the provisions of this Charter.

(d) All arrangements for services provided by the County and the State of Maryland to Section 3 and the residents thereof shall remain in full force and effect unless and until properly modified or rescinded.

(e) This Charter shall not discharge, impair or release any contract, obligation, duty, liability or penalty existing at the time this Charter becomes effective.

ARTICLE V

GENERAL POWERS

Section 501, Regulations

(a) The Council shall be empowered to pass such ordinances and adopt such regulations for maintaining, repairing, rebuilding, reconstructing and lighting of streets, roads, alleys and sidewalks; for drainage, sanitation, and other maintenance and improvements; for the construction and maintenance of parks on property held in the name of or for use of Section 3; for paying the principal and interest of the bonds, notes or certificates of indebtedness authorized in Section 705; for managerial, clerical and other incidental services and expenses, including the establishment of retirement insurance and other similar employee benefit programs; for furnishing police and fire protection, traffic control and other public services including the removal of ashes, garbage and other refuse and the disposal thereof; for the hiring of legal counsel and for payment of auditors, engineers or other professional consultants; for enforcing such building, sanitary and other regulations as the Council may properly prescribe; and generally, for all such purposes as may reasonably be in the interest of or incidental to the needs and benefit of Section 3; provided, however, that until the laws of the State of Maryland provide otherwise, the Council shall not be empowered to pass or adopt any zoning or land use ordinances or regulations.

(b) The Council is empowered to adopt reasonable and proper penalties for violations of the ordinances and regulations governing Section 3, and to enforce such ordinances and regulations by administrative procedures established by the Council by bringing suit in the Circuit Court for Montgomery County to obtain a decree, order or judgment compelling by injunction or otherwise compliance by any person with such ordinances and regulations.

(c) In the absence of specific ordinances or regulations to the contrary, the ordinances and regulations of the County, shall be and become the ordinances and regulations of Section 3; provided, however, that the foregoing shall not restrict the authority of the Council to adopt such ordinances and regulations in the manner, and to the extent, set forth herein.

(d) In addition to, but not in substitution of, the powers which have been, or may hereafter be, granted to it by this Charter, the Council shall have the express powers set forth in Article 23A, Section 2 of the Code.

Section 502, Procedures for Passage of Ordinances and Regulations

(a) No ordinance or regulation shall be passed until the eighth day following the day of the meeting at which it is introduced unless it is deemed to be required for an emergency, in which case it may be passed at any time by unanimous vote of those members of the Council present and voting; provided, however, that any such

emergency ordinance or resolution shall expire at the end of 60 days from its effective date.

(b) Before final consideration of any proposed new ordinance or regulation, the Council shall make reasonable efforts to provide written notice of the proposed ordinance or regulation and hear the views of the residents of Section 3.

(c) All ordinances and regulations except emergency ordinances and regulations which shall become effective immediately upon adoption or as otherwise provided by their terms, shall become effective 20 days following the passage by the Council.

(d) The Council shall provide written notice of all new ordinances and regulations upon adoption, but failure to receive such copy by any person shall not invalidate such ordinances or regulations nor shall such failure be valid as a defense in any action involving violations of that ordinance or regulation.

(e) All ordinances and regulations shall be permanently filed by the Secretary and shall be kept available for public inspection, and copies shall be promptly furnished to the County Executive and County Council.

ARTICLE VI

ANNUAL MEETING AND ELECTIONS

Section 601, Annual Meeting

There shall be an Annual Meeting of the residents of Section 3 held on the second Tuesday of May each year. The meeting shall be scheduled to follow the balloting for Council elections. At least two weeks' written notice of the time and place of such meetings shall be given. Such notice shall include (i) a list of candidates for election to the Council as required by Section 602(c); (ii) a proposed budget for the following fiscal year, including estimated expenditures and estimated receipts; and (iii) notice of any proposed change in the tax rate levied by Section 3 upon the owners of real property located within Section 3. Notwithstanding the above, the Council may, at its discretion, postpone the Annual Meeting for not more than 31 days after the election required by Section 601.

Section 602, Elections

Elections of Council members shall be held on the second Tuesday of May each year. Two Council members shall be elected in even-numbered years and three Council members in odd-numbered years. Elections shall be governed by the following procedures:

(a) Written notice requesting nominations to the Council shall be circulated not less than 45 days prior to the election. Any individual who qualifies under Section 402 may declare his or her own candidacy or be nominated by any qualified voter.

Nominations must be received in writing by the Council not less than 30 days prior to the election.

(b) In the event that there are nominated fewer candidates than the number of positions to be filled, the Council shall make such additional nominations as are necessary.

(c) The Council shall give written notice of the nominees together with brief resumes of the candidates at least two weeks prior to the election.

(d) Each qualified voter may cast a ballot on the day of the election during the time designated by the Council for voting. Qualified voters unable to vote in person for any reason may vote by absentee ballot. The Council shall determine rules for absentee voting.

(e) In the event two or more candidates receive the same number of votes for any office to which only one can be elected, there shall be a run-off election by ballot of qualified voters present at the Annual Meeting. The voting shall continue until a tie breaking vote is attained.

(f) Those persons elected to the Council shall take office, at the conclusion of the Annual Meeting or as soon thereafter as they have qualified.

ARTICLE VII

FINANCES

Section 701, Taxes

(a) The County Council is hereby authorized, empowered and requested to levy and cause to be collected from the owners of real property in Section 3 at the time of the county levy beginning on the first day of July following the adoption of this Charter, and for each tax year thereafter, a tax on the assessed valuation of the real property within Section 3 in amounts certified to the County Council by the Council. The Council shall not certify nor the County Council levy or collect a tax for any year in excess of seventy-five cents (\$0.75) on each one hundred dollars (\$100.00) of assessed valuation of such property.

(b) The tax levied in accordance with this Section shall be collected as are all other county taxes and the amounts so collected shall be paid over by the County of Finance to the Treasurer of Section 3.

(c) The County Council is also requested to have paid to the Treasurer the proper share of the county highway tax, of receipts from the racing tax fund, of receipts from the taxes on corporations, and of all other taxes which are or may become payable to incorporated cities, towns and areas and/or special taxing districts.

Section 702, Use of Tax Revenues

(a) All funds received by Section 3 as its share of the County highway tax shall be used by the Council exclusively for the maintenance and repair of the streets, road [roads] and lanes in Section 3.

(b) All other funds received by Section 3 may be used by the Council for maintaining, repairing, rebuilding, reconstructing and lighting of streets, roads, alleys and sidewalks; for drainage, sanitation and other maintenance and improvements; for the construction and maintenance of parks on property held in the name of or for the use of Section 3; for paying the principal and interest of the bonds, notes or certificates of indebtedness authorized in Section 705; for managerial, clerical and other incidental services and expenses, including the establishment of retirement, insurance and other similar employee benefit programs; for furnishing police and fire protection, traffic control and other public services including the removal of ashes, garbage and other refuse and the disposal thereof; for the hiring of legal counsel and for payment of auditors, engineers or other professional consultants; for enforcing such building, sanitary and other regulations as the Council may properly prescribe; for exercising any of the express powers set forth in Article 23A, Section 2 of the Code; and generally, for all such purposes as may reasonably be in the interest of or incidental to the needs and benefit of Section 3.

Section. 703, Contractual Authority

The Council shall not contract for material or work, other than personal or professional service contracts, in a sum exceeding Ten Thousand Dollars (\$10,000) without having first invited bids for the same, after which the Council may purchase such material or contract for such work and have such work done by employed labor or otherwise as it deems best; provided, however, that the foregoing shall not apply to contractual or other arrangements with Montgomery County, Maryland or the State of Maryland. No Council member shall sell supplies or services of any kind to Section 3 or contract in any manner with the Council.

Section 704, Borrowing Authority

(a) The Council is authorized and empowered to borrow money on the credit of Section 3 in the manner prescribed in Sections 31 to 39 inclusive of Article 23A of the Code, in amounts not exceeding, in total at anytime, ten percent of the assessed valuation of real property within Section 3.

(b) To effect such borrowing, the Council is authorized and empowered to issue bonds, notes or other certificates of indebtedness in a form designated by the Council. Such bonds, notes or other certificates of indebtedness shall be signed by the Chairman and Treasurer and, to the extent by law, shall be free from all federal, state, county and location [local] taxation.

(c) Before the Council shall borrow any money or issue any bonds, notes or certificates of indebtedness, the Council shall give written notice of its proposed action

and call a meeting of the qualified voters to consider and ratify the borrowing. The Council shall provide written notice at least 15 days in advance of such a meeting. All qualified voters of Section 3 shall be eligible to vote at such a meeting and those qualified voters of Section 3 unable to attend the meeting for any reason shall be to vote by absentee ballot. The Council shall determine rules for absentee voting. If the majority of votes cast is in favor of the proposed borrowing or any amendment thereof, then the Council may proceed in accordance with such authorization.

Section 705, Audit

The financial books and accounts of Section 3 shall be audited annually in a manner determined by the Council but not contrary to the applicable laws of the State of Maryland.

ARTICLE VII

GENERAL PROVISIONS

Section 801, Oath of Office

Before entering upon the duties of their offices, the members of the Council shall take and subscribe to the oath prescribed in Article 1, Section 6 of the Constitution of the State of Maryland.

Section 802, Surety Bonds

The Chairman, Treasurer and such other officers or employees of Section 3 as the Council may require shall give bond in such amount and with such surety as may be required by the Council. The premiums on such bonds shall be paid by the Council.

Section 803, Separability

If any section or part of a section of this Charter shall be held invalid by a court of competent jurisdiction, such holding shall not affect the remainder of this Charter nor the context in which such section or part of a section so held invalid shall appear, except to the extent that an entire section or part of a section may be inseparably connected in meaning and effect with the section or part to which such holding shall directly apply.

Section 804, Amendment

This Charter may be amended from time to time in the manner provide for in Article 23A of the Code.

