

PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY

Meeting Date: 6/27/2000

Reference No.: CB-48-2000

Proposer: Bailey

Draft No.: 1

Sponsors: Bailey

Item Title: An Emergency Act to modify the amount of the School Facilities Surcharge, adding certain exemptions, eliminating the credit against the surcharge for moderately priced dwelling units, and making other amendments concerning the surcharge, in accordance with State law

Drafter: Steven M. Gilbert
Principal Counsel to the
District Council

Resource Rhonda Walker
Personnel: Legislative Aide

LEGISLATIVE HISTORY:

Date Presented: 5/16/2000 **Executive Action:** 7/12/2000 S

Committee Referral: 5/16/2000 PZED **Effective Date:** 7/1/2000

Committee Action: 5/23/2000 FAV

Date Introduced: 6/6/2000

Public Hearing: 6/27/2000 10:30 A.M.

Council Action: 6/27/2000 ENACTED

Council Votes: DB:A, JE:A, IG:A, TH:A, WM:A, RVR:A, AS:A, PS:A, MW:A

Pass/Fail: P

Remarks: _____

June 27, 2000

After the public hearing on the bill, Council Member Estep commented that the surcharge payment should not be required for replacement dwellings. Mr. Estep indicated that a property owner in his district plans to tear down their existing house (possibly using some elements of the existing foundation) for the purpose of building a new house for their own occupation, that would be made handicap accessible to accommodate the owner's mother who is advanced in years. In addition to this situation, an owner may also be replacing a dwelling unit that has just recently been destroyed (fire, hurricane, etc.) Council Member Estep indicated that the legislative history should also address replacement dwellings as an exemption for future interpretation at the time of building permit review. In order to remain exempt from the

surcharge payment, Mr. Estep explained that a reasonable time frame for the application of a building permit for the replacement dwelling would be within one year of when it was destroyed.

PLANNING, ZONING & ECONOMIC DEV. COMMITTEE REPORT **DATE:** 5/23/00

Committee Vote: Favorable, 4-0 (In favor: Council Members Russell, Estep, Scott and Wilson)

Chair Bailey, the bill's sponsor, explained that this legislation amends the County law concerning the school facilities surcharge in accordance with House Bill 1094. The bill increases the amount of the surcharge from \$2,500 to \$5,000 for applications filed on or after July 1, 2000, for a one-family detached dwelling, a townhouse, and for each dwelling unit in a semidetached dwelling, a triple-attached dwelling, a three-family dwelling, a two-family dwelling or a multifamily dwelling. CB-48-2000 provides additional exemptions (to those already provided in existing law) for a single-family detached dwelling to be built or subcontracted by an individual owner in a minor subdivision and intended as the owner's personal residence and for improvements on property in an infrastructure finance district approved before January 1, 2000.

The Office of Law and the Legislative Officer have determined that the bill is in proper legislative form. The County Executive supports the legislation. The Director of Office of Management and Budget provided an analysis of the fiscal impact of CB-48-2000 as follows. "Historically, approximately 3,000 housing permits are pulled in Prince George's County on an annual basis. Prior to this legislation, we have estimated 2,400 housing permits at \$2,500 a permit resulting in \$6.0 million a year in surcharge revenue. Since the surcharge has been in place, permits have not displayed any specific pattern and it is too early to see if the initial surcharge has curtailed housing starts in the County. Additionally at this point it is difficult to ascertain the market elasticity in order to determine the effect of the latest change in the surcharge fee. Currently, we are anticipating a range of 2,000 to 2,400 housing permits in a given year and \$10.0 million to \$12.0 million in surcharge related revenue. Finally, this latest surcharge bill has effectively ended any significant expectation of Adequate Public Facilities (APF) revenue. Previous APF revenue estimates ranged from \$300,000 to \$700,000." The Office of Audits and Investigations also determined there should be positive fiscal impact on the County as a result of enacting this legislation.

Alan Hirsch, representing the Planning Board, addressed the Committee concerning the interpretation of the exemption for single-family detached dwellings to be built or subcontracted by an individual owner in a minor subdivision and intended as the owner's personal residence. The Committee concurred with the Planning Board's comments to be included in the legislative history of this bill for future interpretation of the applicability of this exemption as follows:

- Only applies to one lot in a minor subdivision.
- At the time of preliminary plat, based on an assertion by the applicant, a lot may be designated for "the owners personal residence." Findings and subsequent final plat notes would state that at the time of building permit if the permit is not for "the owners personal residence" the surcharge is applied. The final plat contains the property owner's name and is referred to when building permits are submitted for review.

- For previous minor subdivisions, the permit applicant would have to pay the surcharge unless that individual was identified as the original subdivider on the record plat. Again, the exemption from the surcharge would only apply to a single lot in the minor subdivision.
- For any property for which the single surcharge exemption has been applied, any further subdivision of any or all of those subsequent properties may not again utilize another exemption. An example would be:

10 acre property in the R-R Zone (minimum 20,000 sq. ft. of area). The subdivision proposes three 20,000 square foot lots and one 8.5 acre lot. This provision would preclude the use of the exemption if the 8.5 acre lot is brought in for a minor subdivision proposing three 20,000 square foot lots and one 7 acre lot. And so on, if the 7 acre lot is brought in for a minor subdivision proposing three 20,000 square foot lots and one 5.5 acre lot.

BACKGROUND INFORMATION/FISCAL IMPACT

(Includes reason for proposal, as well as any unique statutory requirements)

House Bill 1094, now enrolled, requires modification of the school facilities surcharge and amendment of County law concerning the surcharge. This emergency bill, effective July 1, 2000, brings County law in compliance with State law requirements.

CODE INDEX TOPICS: