

Bill No.: _____
Requested: _____
Committee: _____

Drafted by: Selle
Typed by: Lynn
Stored – 11/03/17
Proofread by _____
Checked by _____

By: **Chair, Howard County Delegation**

A BILL ENTITLED

1 AN ACT concerning

2 **Howard County – School Facilities Surcharge – Rate Alteration**

3 **Ho. Co. 12–18**

4 FOR the purpose of authorizing the County Council of Howard County, for certain fiscal
5 years, by ordinance, to increase by a certain percentage a certain school facilities
6 surcharge on residential new construction where the capacity utilization of a school
7 or school region is a certain percentage at the time a building permit is issued;
8 defining certain terms; and generally relating to the school facilities surcharge in
9 Howard County.

10 BY repealing and reenacting, without amendments,
11 The Public Local Laws of Howard County
12 Section 16.1110(ab) and (af)
13 Article 14 – Public Local Laws of Maryland
14 (1977 Edition and August 2008 Supplement, as amended)

15 BY repealing and reenacting, with amendments,
16 The Public Local Laws of Howard County
17 Section 20.142
18 Article 14 – Public Local Laws of Maryland
19 (1977 Edition and August 2008 Supplement, as amended)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
2 That the Laws of Maryland read as follows:

3 **Article 14 – Howard County**

4 16.1110.

5 (ab) “Program capacity” means the capacity, as defined by the Howard County
6 Board of Education, for grades kindergarten through grade 8. Program capacity does not
7 include special education and relocatable capacity.

8 (af) “School region” means a geographic area, determined by the Howard County
9 Board of Education, containing a group of contiguous elementary school service areas.

10 20.142.

11 (a) (1) In this section the following words have the meanings indicated.

12 (2) Applicant means the individual, partnership, corporation, or other legal
13 entity whose signature appears on the building permit application.

14 (3) (i) Building means a structure with exterior walls which combine to
15 form an occupiable structure.

16 (ii) Building does not include a temporary structure, as defined in
17 the Howard County Building Code.

18 **(4) CAPACITY UTILIZATION MEANS THE RATIO OF A FACILITY’S**
19 **ENROLLMENT TO ITS PROGRAM CAPACITY.**

20 **[(4)] (5)** (i) New construction means construction of a building which
21 requires a Howard County building permit.

22 (ii) New construction does not include, if the building replaces an
23 existing building, replacement of a building due to casualty or loss within 3 years of that
24 casualty or loss, or replacement of a mobile home on a site, except to the extent the gross
25 square footage of the replacement building or replacement mobile home exceeds the gross

1 square footage of the building or mobile home being replaced.

2 **[(5)] (6)** Occupiable means space that is:

3 (i) Designed for human occupancy in which individuals may live,
4 work, or congregate for amusement; and

5 (ii) Equipped with means of egress, light, and ventilation.

6 **(7) PROGRAM CAPACITY HAS THE MEANING STATED IN TITLE 16,**
7 **SUBTITLE 11 OF THIS CODE.**

8 **[(6)] (8)** (i) Residential means a building that contains one or more
9 dwelling units and includes a boarding house.

10 (ii) Residential includes all areas that are contained within a
11 residential building, including an attached garage or area for home occupations.

12 (iii) Residential does not include:

13 1. Transient accommodations, including a hotel, country inn,
14 or bed and breakfast inn;

15 2. Nonresidential uses in a mixed-use structure; or

16 3. Detached accessory buildings, including a detached garage
17 or shed that does not contain living quarters.

18 **(9) SCHOOL REGION HAS THE MEANING STATED IN TITLE 16,**
19 **SUBTITLE 11 OF THIS CODE.**

20 (b) The county council by ordinance shall impose a school facilities surcharge on
21 residential new construction for which a building permit is issued on or after July 1, 2004.

22 (c) (1) For fiscal year 2005, a school facilities surcharge imposed on residential
23 new construction shall be in the amount of \$1.00 Per square foot of occupiable area in the
24 residential new construction.

1 (2) **[For] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, FOR**
2 fiscal year 2006 and each succeeding fiscal year, the facilities surcharge established in
3 paragraph (1) of this subsection shall be adjusted for inflation in accordance with the
4 Consumer Price Index for All Urban Consumers published by the United States
5 Department of Labor, for the fiscal year preceding the year for which the amount is being
6 calculated.

7 **(3) FOR FISCAL YEAR 2019 AND EACH SUCCEEDING FISCAL YEAR,**
8 **THE COUNTY COUNCIL BY ORDINANCE MAY INCREASE THE SCHOOL FACILITIES**
9 **SURCHARGE AS ADJUSTED IN PARAGRAPH (2) OF THIS SUBSECTION BY:**

10 **(I) 100% FOR RESIDENTIAL NEW CONSTRUCTION WHERE THE**
11 **CAPACITY UTILIZATION OF A SCHOOL OR SCHOOL REGION IS BETWEEN 110% AND**
12 **115% AT THE TIME A BUILDING PERMIT IS ISSUED; AND**

13 **(II) 200% FOR RESIDENTIAL NEW CONSTRUCTION WHERE THE**
14 **CAPACITY UTILIZATION OF A SCHOOL OR SCHOOL REGION IS BETWEEN 115% AND**
15 **120% AT THE TIME A BUILDING PERMIT IS ISSUED.**

16 (d) (1) The school facilities surcharge shall be paid by the applicant at the time
17 a building permit is issued for the residential new construction.

18 (2) The school facilities surcharge may not be construed to be a settlement
19 cost.

20 (e) (1) The county shall rebate to the applicant the school facilities surcharge
21 imposed on residential new construction under this section if, on the initial sale of the
22 property, the property is sold for a fair market value that is less than \$200,000.

23 (2) If, on completion, the residential new construction is not sold but the
24 property is occupied by the applicant or the immediate family of the applicant, the county
25 shall rebate to the applicant the school facilities surcharge imposed under this section if
26 the initial assessment value assigned to the property by the state department of
27 assessments and taxation for purposes of the county real property tax equates to a market
28 value that is less than \$200,000.

29 (3) For fiscal year 2006 and each succeeding fiscal year, the value of the
30 property that is entitled to a rebate under this subsection shall be adjusted for inflation in

1 accordance with the Consumer Price Index for all Urban Consumers published by the
2 United States Department of Labor, for the fiscal year preceding the year for which the
3 value is being calculated.

4 (4) Within 30 days after the start of each fiscal year, the Howard County
5 Office of Finance shall calculate and publish in a newspaper of general circulation in the
6 county the value of the property that is entitled to the rebate specified under this
7 subsection.

8 (f) Payment of the school facilities surcharge does not eliminate any authority to
9 apply any test concerning the adequacy of school facilities under the county's adequate
10 public school facility ordinance.

11 (g) Revenue collected under the school facilities surcharge shall be deposited in a
12 separate account and may only be used to pay for:

13 (1) Additional or expanded public school facilities such as renovations to
14 existing school buildings or other systemic changes; or

15 (2) Debt service on bonds issued for additional or expanded public school
16 facilities or new school construction.

17 (h) Revenue collected under the school facilities surcharge is intended to
18 supplement funding for public school facilities and may not supplant other county or state
19 funding for school construction.

20 (i) The county executive of Howard County shall prepare an annual report on the
21 school facilities surcharge on or before August 31 of each year for the County Council of
22 Howard County, the Howard County Senate Delegation, and the Howard County House
23 Delegation, to include:

24 (1) A detailed description of how fees were expended; and

25 (2) The amount of fees collected.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2018.