

Bill No.: _____
Requested: _____
Committee: _____

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By: **Delegate Atterbeary**

A BILL ENTITLED

1 AN ACT concerning

2 **Howard County – School Facilities Surcharge – Rates**

3 **Ho. Co. 03–19**

4 FOR the purpose of altering the amount of the school facilities surcharge in Howard
5 County; authorizing the County Council of Howard County to enact a local law
6 providing for the annual alteration of the amount of the school facilities surcharge
7 based on a certain calculation; requiring the school facilities surcharge to be used
8 only for the benefit of schools within whose attendance area certain residential
9 construction is located; requiring the County Executive of Howard County to submit
10 a certain report to certain persons at a certain time; defining a certain term; and
11 generally relating to the school facilities surcharge in Howard County.

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

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

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



Article 14 – Howard County

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20.142.

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

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

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

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

(4) “MARYLAND SCHOOL CONSTRUCTION COST INDEX” MEANS THE STATEWIDE SCHOOL BUILDING AND SITE DEVELOPMENT COST AS ESTABLISHED AND ADJUSTED ANNUALLY BY THE MARYLAND INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION, EXPRESSED IN AN AMOUNT PER SQUARE FOOT.

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

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

~~[(5)]~~ **(6)** “Occupiable” means space that is:

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

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

~~[(6)]~~ **(7)** (i) “Residential” means a building that contains one or more dwelling units and includes a boarding house.

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

3 (iii) "Residential" does not include:

4 1. Transient accommodations, including a hotel, country inn,
5 or bed and breakfast inn;

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

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

9 (b) The County Council by ordinance shall impose a school facilities surcharge on
10 residential new construction for which a building permit is issued on or after July 1, 2004.

11 (c) (1) **[For] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, FOR**
12 **fiscal year [2005] 2020 AND EACH SUCCEEDING FISCAL YEAR,** a school facilities
13 surcharge imposed on residential new construction shall be in the amount of **[\$1.00] \$4.00**
14 per square foot of occupiable area in the residential new construction.

15 **[(2) For fiscal year 2006 and each succeeding fiscal year, the facilities**
16 **surcharge established in paragraph (1) of this subsection shall be adjusted for inflation in**
17 **accordance with the Consumer Price Index for All Urban Consumers published by the**
18 **United States Department of Labor, for the fiscal year preceding the year for which the**
19 **amount is being calculated.]**

20 **(2) THE COUNTY COUNCIL MAY ENACT A LOCAL LAW THAT PROVIDES**
21 **FOR AN ANNUAL INCREASE IN THE SCHOOL FACILITIES SURCHARGE IN AN AMOUNT**
22 **CALCULATED BY MULTIPLYING THE SCHOOL CONSTRUCTION FEE OF THE PREVIOUS**
23 **YEAR BY A PERCENTAGE EQUAL TO THE CHANGE IN THE MARYLAND SCHOOL**
24 **CONSTRUCTION COST INDEX FROM THE PREVIOUS YEAR TO THE CURRENT YEAR**
25 **PLUS 2%, PROVIDED THAT THE FEE INCREASE IN A SINGLE YEAR MAY NOT EXCEED**
26 **6%.**

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

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

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

6 (2) If, on completion, the residential new construction is not sold but the
7 property is occupied by the applicant or the immediate family of the applicant, the county
8 shall rebate to the applicant the school facilities surcharge imposed under this section if
9 the initial assessment value assigned to the property by the State Department of
10 Assessments and Taxation for purposes of the county real property tax equates to a market
11 value that is less than \$200,000.

12 (3) For fiscal year 2006 and each succeeding fiscal year, the value of the
13 property that is entitled to a rebate under this subsection shall be adjusted for inflation in
14 accordance with the Consumer Price Index for All Urban Consumers published by the
15 United States Department of Labor, for the fiscal year preceding the year for which the
16 value is being calculated.

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

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

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

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

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

1 (h) **THE SCHOOL FACILITIES SURCHARGE FOR EACH RESIDENTIAL**
2 **CONSTRUCTION SHALL BE USED ONLY TO BENEFIT PROJECTS OR DEBT SERVICE ON**
3 **BONDS FOR SCHOOL FACILITIES OR SCHOOL CONSTRUCTION FOR SCHOOLS WITHIN**
4 **WHOSE ATTENDANCE AREAS THE RESIDENTIAL CONSTRUCTION IS LOCATED.**

5 (i) Revenue collected under the school facilities surcharge is intended to
6 supplement funding for public school facilities and may not supplant other county or State
7 funding for school construction.

8 [(i)] (j) The County Executive of Howard County shall prepare an annual
9 report on the school facilities surcharge on or before August 31 of each year for the County
10 Council of Howard County, the Howard County Senate Delegation, and the Howard County
11 House Delegation, to include:

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

13 (2) The amount of fees collected.

14 (k) **IF THE COUNTY COUNCIL ENACTS A LOCAL LAW TO PROVIDE FOR AN**
15 **ANNUAL INCREASE IN THE SCHOOL FACILITIES SURCHARGE IN ACCORDANCE WITH**
16 **SUBSECTION (C)(2) OF THIS SECTION, THE COUNTY EXECUTIVE SHALL PREPARE A**
17 **REPORT ON OR BEFORE AUGUST 31 OF THE FIFTH YEAR FOLLOWING**
18 **IMPLEMENTATION OF THE ANNUAL INCREASE, FOR THE COUNTY COUNCIL OF**
19 **HOWARD COUNTY, THE HOWARD COUNTY SENATORS, AND THE HOWARD COUNTY**
20 **HOUSE DELEGATION, TO INCLUDE:**

21 (1) **DETAILED INFORMATION REGARDING THE SCHOOL FACILITIES**
22 **SURCHARGE, AND THE AMOUNT AND KIND OF RESIDENTIAL DEVELOPMENT AND THE**
23 **CHANGE IN SCHOOL POPULATION IN THE COUNTY OVER THE PREVIOUS 5 YEARS;**
24 **AND**

25 (2) **RECOMMENDATIONS REGARDING HOW THE COUNTY SHOULD**
26 **PROCEED IN ITS CALCULATION OF THE SCHOOL FACILITIES SURCHARGE FOR THE**
27 **NEXT 5 YEARS.**

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2019.