

February 18, 2020

Dear Chairwoman Jung and Members of the Howard County Council:

My name is Mark Thompson. I'm the Senior Vice President of Development for The Stronach Group. My address is Laurel Park, 198 Race Track Road, Laurel, Maryland 20725. I'm here to testify in support of CB 8-2020.

Simply said, CB 8-2020 is good government. The requirement that a fiscal analysis be performed on any bill and that it be shared with the public prior to the public hearing is a positive policy in a number of ways. It will provide the County Council with a much needed tool to balance the priorities of various constituents with financial and fiscal realities of policy-making for the County. This is exactly what you were elected to do and this bill provides you with a tool to execute your difficult job more effectively.

The bill will also provide the public with critical information to understand the business of the County. The County's policies and programs have the most direct effect on people's lives. Unfortunately, most people know very little about the functions of our County government. This bill will require the County Auditor to provide a summary of each legislative proposal, how it will impact the County fiscally and how it will be implemented. This will go a long way in improving the public's understanding of pending bills and therefore encourage more enlightened citizen participation.

I'm very concerned about the lack of understanding by the general public of the impact of various legislative efforts on the County's financial situation. This was recently made very clear by the County's own analysis of the previous Council's changes to the Adequate Public Facility Ordinance. This analysis by consultants hired by the County showed that residential development pays for itself and that the net fiscal reduction in County revenues from residential development was projected at \$63 million for the first six years and a projected \$152 million over 20 years. Unfortunately, this information wasn't available before the bill was passed. As you grapple with the upcoming budget, I'll bet you wished your predecessors had this type of information.

CB8-2020 will provide better information for this Council and the public. I therefore encourage your passage of the bill. Thank you for your consideration.

Cc:

- Councilman Opel Jones
- Councilmember Christiana Mercer Rigby
- Councilman David Yungmann
- Councilmember Elizabeth Walsh
- County Executive Calvin Ball
- Sameer Sidh, Chief of Staff to the County Executive

Bruce A. Harvey
Testimony 02/18/2020
Howard County Council
CB8-2020

My name is Bruce Harvey and I live in Fulton, MD, and I am also majority owner of Williamsburg Homes based in Columbia, MD. I am testifying in favor of CB8-2020.

I want to commend the Co-sponsors of this bill for introducing this legislation. As both a business owner and Howard County resident, I feel it is very important that the I be able to see the fiscal impact of pieces of legislation prior to testimony. This information could very well change my point of view and of course I may want to comment on the fiscal impact analysis as well. These new procedures will provide additional transparency on your legislative decision making. It's hard to see a downside here. The Auditor's comments and recommendations seem on target, especially that Executive sponsored legislation should also require a fiscal analysis from the Budget Office. I certainly don't recommend anything to derail this legislation, but I do think this should be considered.

Please vote yes on CB8-2020. I look forward to being privy to this new information.

Thank you for hearing my testimony.



**HOWARD COUNTY COUNCIL
AFFIDAVIT OF AUTHORIZATION
TO TESTIFY ON BEHALF OF AN ORGANIZATION**

I, Leonardo McClarty, have been duly authorized by
(name of individual)

Howard County Chamber to deliver testimony to the
(name of nonprofit organization or government board, commission, or task force)

County Council regarding CB 8-20 to express the organization's
(bill or resolution number)

support for / opposition to / request to amend this legislation.
(Please circle one.)

Printed Name: Leonardo McClarty

Signature: *Leonardo McClarty*

Date: February 18, 2020

Organization: Howard County Chamber

Organization Address: 6240 Old Dobbin Lane, Suite 110, Columbia, MD 21045

Number of Members: 700

Name of Chair/President: David Anderson, Chair

This form can be submitted electronically via email to councilmail@howardcountymd.gov no later than 5pm the day of the Public Hearing or delivered in person the night of the Public Hearing before testifying.



6240 Old Dobbin Lane ■ Suite 110 ■ Columbia, MD 21045

February 18, 2020

Ms. Deb Jung
Chairperson, Howard County Council
3430 Court House Drive
Ellicott City, MD 21043

RE: CB 8-20 – Fiscal Impact Analysis

Dear Councilmember Jung,

The Howard County Chamber (Chamber) is an organization dedicated to the advancement of a vibrant and thriving business community with a positive economic climate. In achieving these goals, we look for public policy that balances residential concerns with environmental and economic realities. Often, it appears as though policies that are introduced fail to strike that much needed balance. Therefore, the Chamber is proud to support CB 8-20, an act requiring a fiscal analysis for each article of legislation and the impact it will have on the county.

The Howard County Government's budget continues to be severely pressured as our obligations are increasing faster than our revenues. As a result, Council decisions should weigh fiscal impact on the activities and entities that lead to growing the tax digest as well as the welfare of our residents and environment. Legislation like this will allow you to thoroughly examine the ramifications of the policy decisions that are before you.

This legislation also lends itself to more transparency in the policy making process. Marylanders are accustomed to fiscal impact notes since each bill passed in the Maryland General Assembly contains a fiscal note that estimates the costs, savings, revenue gain, or revenue loss. Thus, we are implementing actions that is consistent with state policy and fiscal analysis.

Budget and transparency aside, the proposed legislation is a positive step to ensuring continued economic growth and competitiveness. With this legislation, employers believe their concerns are heard as policy decisions are contemplated. One of the major influencers of the budget and tax digest is residential and commercial development and neighborhood revitalization.

These activities also have a multiplier effect in that they create jobs and generate tax revenue. Over the past two years, the County's reputation as being business friendly has taken a hit. Recent land use policies such as a more stringent Adequately Public Facilities Ordinance and costly developer surcharge have many in the development community questioning Howard County as a place to expand.

For the reasons outlined above, the Chamber is in support of this legislation and would request a "Yes" vote. Should there be any questions concerning the Chamber's position, I can be reached at 410-730-4111.

Respectfully,



Leonardo McClarty, CCE
President/CEO, Howard County Chamber

CC: Howard County Council
Howard County Executive
Howard County Chamber Board of Directors
Howard County Chamber Legislative Affairs Committee



HOWARD COUNTY COUNCIL
AFFIDAVIT OF AUTHORIZATION
TO TESTIFY ON BEHALF OF AN ORGANIZATION

I, Stu Koho, have been duly authorized by
(name of individual)

Howard County Citizens Association to deliver testimony to the
(name of nonprofit organization or government board, commission, or task force)

County Council regarding CB-8-2020 to express the organization's
(bill or resolution number)

support for / opposition to / request to amend this legislation.
(Please circle one.)

Printed Name: Stu Koho

Signature: Stu Koho

Date: 18 Feb 20

Organization: HCCA

Organization Address: ELLICOTT City

Number of Members: 500

Name of Chair/President: Stu Koho

This form can be submitted electronically via email to councilmail@howardcountymd.gov no later than 5pm the day of the Public Hearing or delivered in person the night of the Public Hearing before testifying.



HCCA

Howard County Citizens Association

Since 1961...

The Voice Of The People of Howard County

Date: 18 February 2020

Subject: HCCA is in Favor of CB8-2020

Good Evening. My name is Stu Kohn representing the Howard County Citizens Association, HCCA as President. We are in Favor of CB8 but only if our questions are answered and our suggested amendments are adopted. We want to congratulate Councilman Jones for introducing this Bill and thank both Council members Rigby and Yungmann for their co-sponsorship. We believe that whenever one can obtain any quantitative analysis which can be relied on and completely verified it would undoubtedly be beneficial for all concerned parties. We do have some important questions regarding this Bill and suggestions for improvements for your consideration for proposed amendments. They are as follows:

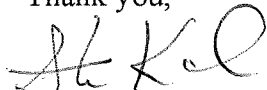
1. Who will perform the Fiscal Analysis?
2. Will a Fiscal Impact be conducted on any applicable Resolution?
3. Refer to page 1 – Lines 27 and 28 – it states, “A Fiscal Analysis must be submitted to the County Council not later than 2 business days before the public hearing for legislation.” Why only 2 days? This is in no way sufficient time for the public to analyze the data. The time period should be when the Bill is introduced and included as an attachment to the Technical Staff Report when applicable giving the public a two week period to review and have ample time to testify on the findings.
4. Refer to Page 2 – Line 8 – which states, “At least 1 business day before the public hearing for the legislation, the County Council shall make each fiscal analysis freely available to the public.” This is in no way ample time and needs to be available at the same time the Bill is introduced to the public.
5. Refer to Page 2 – Lines 13 and 14 – It states, “Council action on legislation that is otherwise valid is not invalid because of any failure to follow the requirements of this section.” We would like for you to please explain the meaning of this wording.

Can someone please tell us why we are seeing under “Related Documents” regarding CB7, 8 and 9 “Fiscal Impact” statements and CB1 we see “Fiscal Impact Study Frequently Asked Questions?” Why at this time is this being documented when CB8 has not been passed? Please refer to the “Fiscal Impact” regarding CB8 under Background where it states, “Prior to 2013, the Office of the County Auditor did not provide the Council with fiscal analysis of legislation. The current County Auditor initiated the practice of creating a detailed fiscal impact analysis for all bills and resolutions excluding resolutions for appointments.” Where was the public able to see the results? Now refer to the section “Comparison with Surrounding Counties” and go to the fifth row stating. “Is the Fiscal Note made public?” The result is that Montgomery, Anne Arundel and Baltimore states “Yes” but “Howard County says, “No.” So based on this chart is the Background statement really correct? Was the public ever privy to the Fiscal Impact information? On a positive note please refer to page 2 of the four Recommendations from the Auditor’s analysis which make a lot of sense. When referring to the Fiscal Impact Study FAQ under CB1 it defines the difference between a Fiscal impact Study and an

Economic Impact study. We suggest an Economic Study also be included in a Bill or Resolution whenever applicable.

In closing this proposal is a major step in the right direction. If done right we should all have a better understanding of the Fiscal Impact and hopefully the Economic Impact resulting in determining the good and bad of any such applicable proposed Bill or Resolution.

Thank you,

A handwritten signature in black ink, appearing to read 'Stu Kohn', written in a cursive style.

Stu Kohn
HCCA President

Office of the County Auditor
Auditor's Analysis

Council Bill No. 8-2020

Introduced: February 3, 2020

Auditor: Craig Glendenning

Fiscal Impact:

There will be no fiscal impact associated with Council Bill 8-2020. The office can fulfill the requirements set forth in this bill with current staffing.

Purpose:

The purpose of this bill is to legislate the current practice of the Office of the County Auditor regarding the provision of fiscal notes of introduced bills to Council. The bill adds a deadline for submission of these fiscal notes to Council and requires public access to the notes prior to the public hearing for the legislation.

Background:

Prior to 2013, the Office of the County Auditor did not provide the Council with fiscal analysis of legislation. The current County Auditor initiated the practice of creating a detailed fiscal impact analysis for all bills and resolutions (excluding resolutions for appointments) and other financial legislation such as Transfers of Appropriation and Supplemental Appropriation Ordinances. He recognizes the importance of providing Council members with this vital decision-making information.

Comparison with Surrounding Counties:

	Montgomery	Anne Arundel	Baltimore	Howard
Is a Fiscal Note provided to Council prior to the vote?	Yes	Yes	Yes	Yes
Are Fiscal Notes prepared for all legislation except appointment Resolutions and Budget?	No (1)	Yes	Yes	Yes
Does the County Auditor provide a Fiscal Note?	No	Yes	Yes	Yes
Does the Budget Office provide a Fiscal Note?	Yes (1)	Yes (2)	Yes (2)	No
Is the Fiscal Note made public?	Yes	Yes	Yes	No
Is the Fiscal Note requirement specified in the Code?	Yes	No	No	No

(1) Only the Budget Office provides a Fiscal Impact Statement. It is for all Executive and Council Bills.

(2) The Budget Office provides a Fiscal Impact Note when all Executive Legislation is filed.

Recommendations:

To provide the Council with additional information in which to make informed decisions, increase the transparency to the public, and help the Office of the County Auditor (the Office) meet the requirements being proposed, we recommend the following:

1. Amend CB8-2020 to include other financial legislation such as Transfer of Appropriation, Supplemental Appropriation Ordinance, and Resolutions with a fiscal impact. Excluding these would limit the Council's and public's ability to evaluate the financial affect of legislation that often has a significant fiscal impact on operating and capital revenue and expenditures.
2. Amend the bill to add clarity to the timing provision. According to the County Solicitor, the timing provision is ambiguous as it is subject to different meanings. Dependent upon which days are included or excluded in counting two business days, the date due to the Council could reasonably be interpreted as end of business Wednesday, Thursday, or Friday prior to a Monday public hearing.
3. Amend the bill to require the Budget Office provide a fiscal note for all Executive sponsored legislation. This is the practice at Montgomery, Anne Arundel, and Baltimore Counties. The Budget Office is in the best position to make an initial assessment on expenditures, revenues, and effects on government operations considering their ability to have direct contact with other Executive Agencies. This will enable the Office to evaluate and comment on the Budget Office's analysis.
4. As policy, we recommend that the Council notify the Office about pending legislation when it is in the drafting phase. Although this is already the practice of some Council Districts, the current Council policy requires the Legislative Analysts to provide the Office with draft legislation when it is being sent to the Office of Law for legal sufficiency. Information is often required from the Administration in order to complete the Office's fiscal notes. Sending the Office legislation during the drafting phase will mean that the Administration is given adequate time to respond to requests. (Staff should be given as much time as possible for research.) Lack of sufficient time could result in unanswered questions noted in the Office's analysis, or analysis needing regular revisions as recent information request are answered by the Administration.

Fiscal Impact Study Frequently Asked Questions – September 5, 2019

What is a fiscal impact study?

A fiscal impact study estimates the revenues generated from new development and the operating and capital costs required to serve new development. The net fiscal impacts are the revenues minus the costs. If revenues are greater than costs, then net fiscal surpluses result (also referred to as net revenues), and if costs are greater than revenues, then net fiscal deficits result. All major and minor revenues and costs are evaluated. This includes all capital costs such as the cost to build new schools, parks, libraries, fire stations and other capital facilities. The fiscal report details all the revenue and all the operating and capital costs that have been evaluated and the methodologies used to evaluate each.

A fiscal impact study is different than an economic impact study. Whereas a fiscal impact study measures the impact to the County's budget, an economic impact study measures the impact of new development on the broader economy such as the number of new jobs created, and the amount of direct, indirect and induced monetary stimulus to the local and regional economies.

Why was this fiscal impact study done?

The FY2019 Spending Affordability Advisory Committee recommended that Howard County issue a request for proposals to hire an economic consultant to conduct a fiscal impact analysis to study the effects of recent amendments to the Adequate Public Facilities Ordinance (APFO). Urban Analytics, a fiscal and economic consulting firm located in Alexandria, Virginia, was selected to conduct the fiscal study. The purpose of the study was to help the County develop accurate revenue and expenditure projections accounting for the APFO amendments, providing important information for long-term planning purposes.

The fiscal study focused on APFO amendments adopted in early 2018. The amendments imposed more restrictive school capacity test standards designated to take effect after the beginning of 2019. School capacity utilization rates, a standard used to determine whether a school district is closed to new development, were lowered from 115% to 105% for elementary school districts and regions and from 115% to 110% for middle school districts. A new high school district test was added, closing high school districts to new development at 115% capacity utilization. The new school capacity chart implementing these changes was adopted by the County Council on July 1, 2019.

The recent changes to the school capacity test result in closing a significant portion of the County to new development, triggering significantly less residential growth and less commercial growth than projected in *PlanHoward 2030*, which was adopted in 2013.

The map below shows the portions of the County closed to new development based on the school capacity chart adopted by the County Council on July 1, 2019. The colored portions of the map represent the elementary, middle and high school districts closed to new development. The table below the map (Table 5) shows future residential development for the adopted General Plan projections compared to the impact from the amendments to APFO.



HOWARD COUNTY COUNCIL
AFFIDAVIT OF AUTHORIZATION
TO TESTIFY ON BEHALF OF AN ORGANIZATION

I, Angelica Bailey, have been duly authorized by
(name of individual)

Maryland Building Industry Association to deliver testimony to the
(name of nonprofit organization or government board, commission, or task force)

County Council regarding CB 8-2020 to express the organization's
(bill or resolution number)

support for / opposition to / request to amend this legislation.
(Please circle one.)

Printed Name: Angelica Bailey

Signature: 

Date: February 18, 2020

Organization: Maryland Building Industry Association

Organization Address: Fulton, MD 20759

Fulton, MD 20759

Number of Members: 1,000+

Name of Chair/President: Lori Graf, CEO

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