

The People's Voice, LLC

Ethics Ballot™

3600 Saint Johns Lane, Suite D, Ellicott City, MD 21042

May 17, 2021

County Council Testimony

CR 86/89 – Building Excise Tax and MIHU fee-in-lieu increases – Should be amended to be increased to allowed cap. Also request to remove cap.

The Building Excise tax and fee-in-lieu of providing MIHU's is set annually. In the County Code these rates are capped at annual maximum increase allowances set by the Engineering News Record Baltimore Region Construction pricing index. This is a building industry journal, whose annual indices are not all that easy to find. The County financial analysis on this legislation should include the maximum amount you are allowed to consider.

We have been giving this same testimony for many years now. Asking to have the rate published with the legislation, asking to get closer to the maximums as they are set so low. Some years, I have been able to find this maximum, googling. Some years I have had to pay over \$100 to join ENR then cancel my subscription after getting the figures. This year, I was able to find the chart with some caching efforts online. The legislation proposes a 5% increase on both. The charts from ENR this past year since the last review was complete, shows increases of over 6 to 12% depending on which month cuts off for 2020 or 2021 in your analysis. There are recommendations you will be reviewing from task forces looking at housing and equity issues that touch on raising these fees, especially the MIHU fee-in-lieu. The first thing that needs to happen is to remove this artificial cap that ties your hands and disallows you to use them as planning tools. This cap is not used as a maximum in other jurisdictions but is referred to as something to consider. Time for HoCo to not have this industry driven maximum, and make the local decisions as this Council sees fit.

We recommend the maximum allowed percentage in both cases, as being limited artificially for so long should not just be beneficial in one direction. After all, we don't even charge fees that cover County costs for decades in our procedures, regarding other current legislation, but we have allowed maximums dictated from one industry inflation index.

Thank you.

Lisa Markovitz
President