
From: Ryan Powers <rpowerz115@gmail.com>
Sent: Friday, June 21, 2024 10:55 AM
To: CouncilMail
Cc: Gelwicks, Colette; Skalny, Cindy; Knight, Karen; Yungmann, David
Subject: CB37-2024 reduces fees by 82% and its impact on lost revenues cannot be estimated. It's a work-around APFO.

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Dear Councilmembers,

I am writing today to state my opinion that CB37-2024 should not be approved as written. While I fully admit I don't have all the necessary background, I find the following things concerning:

- 1) According to a county auditor's report, the financial impact of the bill cannot be accessed. In my opinion, any bill for which there cannot be a reasonable estimate of its impact should not be passed.
- 2) This bill allows for families to build homes with a 82% reduction in school surcharge fees. Any children from these homes will potentially enter overcrowded schools in need of repairs. It is perfectly reasonable for people building homes to be assessed the school surcharge because in an unknown number of these cases their children will need school resources.
- 3) The language in the bill creates numerous loopholes, for example
 - a. The length of primary residency is not defined. Any person could use this loophole to live in the house a short time and then sell it for a substantial profit
 - b. A resident could potentially build a primary residence on their land and subdivide it [with their current house] in the future. I don't believe this is in the spirit of APFO.
- 4) Residents/contractors have been aware of the school surcharge schedule since 2019 and should have already accounted for it in any budget. School capital requirements will only increase in the future, and by passing this bill you will be reducing the ability of our school system to limit overcrowding.

I appreciate Councilwoman Rigby's office helping me understand this bill. However, I believe that testimony on June 18th supporting this bill because of the need of "thousands of families" inherently underscores that this bill does not limit beneficiaries to those aging-in-place as intended. I should also note that if 70k in fees account for 5% of your housing costs, you are building a \$1.4 million dollar home and should be able to absorb the school surcharge fee in favor of the great good.

Thank you,

Ryan Powers

Glenwood, MD

From: Chris Ehrich <chrisehrich1@gmail.com>
Sent: Monday, June 24, 2024 2:39 PM
To: CouncilMail
Subject: CB37-2024

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

I am writing to state support for Councilwoman Rigby's proposed reduction to the School Facilities Surcharge Tax rate for individuals, as stated in County Bill 37-2024

Christopher Ehrich
5545 Suffield Court
Columbia MD 21044

V/r

Chris Ehrich

Sent from my iPhone

From: David Park <davidpark4@gmail.com>
Sent: Monday, June 24, 2024 2:35 PM
To: CouncilMail
Subject: CB37-2024

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Hello,

I am writing to state my support for Councilwoman Rigby's proposed reduction to the School Facilities Surcharge Tax rate for individuals, as stated in County Bill 37-2024.

David Park
6826 Sanctuary Ct
Elkridge, MD 21075

From: Jim Horris <horrisj@hotmail.com>
Sent: Monday, June 24, 2024 2:13 PM
To: CouncilMail
Cc: Gelwicks, Colette; Rigby, Christiana
Subject: CB37-2024. New Res Construction Public School Surcharge
Attachments: CB37-2024_Testimony_HorrisJ.docx

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Howard County Council
Request you accept my written testimony in the matter of CB 37-2024.

With kind regards,
Jim Horris

James A. Horris
horrisj@hotmail.com
(443) 980-8993

CB37-2024

Testimony of James A. Horris, 8076 Savage Guilford Road, Jessup, MD 20794; (443) 980-8993

I wish to state up front that I am very much in favor of the proposed change to the legislation and the reduction in the School Surcharge Rate to \$1.32/sf.

Background

I am a senior (age 72), recently retired, a veteran, and a resident of Howard County for the past 26 years.

I wish to build a home on a lot nearby that I purchased 23 years ago, with the specific intent to downsize for retirement while remaining in my community and neighborhood.

Community is very important to me. My neighbors are an integral part of my life, and I do my best to return the favor. Our neighborhood is cohesive with an excellent cross-section spanning young families to retirees. The lot on which I wish to build is part of this same neighborhood. Additionally, I have immediate family both in Howard County and within convenient proximity, anchoring me further to this locale.

Discussion

Surcharge Rate

I think the current Surcharge rate is very appropriate for **commercial developers** who will profit from the building and selling of a home. In my opinion, the elevated rate rightly harvests a share of those profits to support the school system ahead of the building process.

However, I think the current rate is inappropriate and untenably high for **individuals** seeking to build a primary residence without profit. Additionally, my understanding is that the funding need that existed at the time the rate was instituted is now largely mitigated.

Personal Impact

The example below illustrates in dollars the magnitude of the impact of the current Surcharge rate. My partner and I wish to build a house of modest size, on one level to facilitate living in our senior years.

Living space	2000sf
Basement	2000sf
Garage	580sf
<u>Porch Open</u>	<u>400sf</u>
Total Gross SF	4980sf

Using the aggregate Excise Tax and School Surcharge rate of \$10/sf, I would have a tax bill of **\$49,800**, of which **\$39,840** is the SurchargeTax.

This will not be eligible for bundling into a construction loan, necessitating an unrecoverably large cash withdrawal from a retirement account.

Conclusion

Given the above, my partner and I will likely not be able to build this house, and that means leaving my community, the county and possibly leaving the state. Retirees are already leaving Howard County in significant numbers.

Impact on the County and School Support

I've spoken with Mr. Jeff Bronow in DPZ to determine if they had data indicating how many of the approximately 700 single-family dwellings built last year in HoCo were built by commercial developers and how many were built by individuals for their primary residence. DPZ does not have a breakout of that

specific metric; however, Mr. Bronow stated that to his knowledge, the “vast majority” were built by commercial developers. I think it reasonable to conclude that reducing the surcharge rate for individuals will not cause a shortfall in school funding.

I am a firm advocate of quality education and the resources it takes to maintain good schools. The HoCo school system is reputed to be one of the finest, if not the finest, public school system in the country and this is a direct result of being richly resourced with some of the highest taxes in the state and country.

Recommendation

With the reduced rate proposed by Ms. Rigby, the school system would still be supported, the majority of the surcharge tax burden of new residential construction is still shouldered by those who should (i.e., commercial developers) and individuals wishing to remain in the county can do so.

Request the County Council vote to **pass** the proposed change to the legislation contained in CB37-2024.

From: Lydia Joyce <ljoyce005@gmail.com>
Sent: Monday, June 24, 2024 2:27 PM
To: CouncilMail
Subject: CB37-2024

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I am writing to state my support for Councilwoman Rigby's proposed reduction to the School Facilities Surcharge Tax rate for individuals, as stated in County Bill 37-2024.

Respectfully,

Lydia Joyce
5918 Cedar Fern Court
Columbia, MD 21044

Council District 4