

HARFORD COUNTY BILL NO. 24-033 (As Amended)

Brief Title (Impact Fees)

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

Mykia A. Dixon
Council Administrator

Date 12/3/24

ENROLLED

Patricia Vincent
Council President

Date 12/3/24

BY THE COUNCIL

Read the third time.

Passed: LSD 24-31

Failed of Passage: _____

By Order

Mykia A. Dixon
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 4th
Day of December, 2024, at 3:00 p.m.

Mykia A. Dixon
Council Administrator



BY THE EXECUTIVE

[Signature]
COUNTY EXECUTIVE

APPROVED: Date 12/13/24

BY THE COUNCIL

This Bill No. 24-033 (As Amended) having been approved by the Executive and returned to the Council, becomes law on December 13, 2024.

EFFECTIVE: March 1, 2025

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 24-033 (As Amended)

Introduced by Council President Patrick Vincenti at the request of the County Executive

Legislative Day No. 24-025 Date October 1, 2024

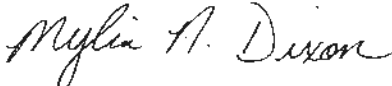
AN ACT ~~to add new Section 123-41.2, Rules and regulations, to Article I, General Provisions; to repeal and reenact, with amendments, Subsection E, of Section 123-55, Purpose and Intent, of Article VI, Public School Development Impact Fee; to repeal and reenact, with amendments, Section 123-59, Amount of impact fee, of Article VI, Public School Development Impact Fee; to repeal and reenact, with amendments, Subsections B, C, and D, of Section 123-59.1, Imposition and enforcement of development impact fee, of Article VI, Public School Development Impact Fee; to repeal and reenact, with amendments, Subsection C of Section 123-60, Exemptions, of Article VI, Public School Development Impact Fee; to add new Section 123-62.1, Transitional provisions, to Article VI, Public School Development Impact Fee; all of Chapter 123, Finance and Taxation, of the Harford County Code, as amended; to authorize the County Treasurer to implement certain rules and regulations to administer and enforce this Chapter;~~ to increase the development impact fee for certain types of dwelling units; to implement certain procedures governing the systematic increase of development impact fees; to provide a methodology for calculating additional impact fees when certain new residential structures are constructed in specific circumstances; to amend certain requirements to qualify for an exemption from the payment of development impact fees when redeveloping or reconstructing residential structures under specific circumstances; to implement a legislative policy for calculating additional development impact fees in specific circumstances pending the effective date of this Act; to require the County Executive to submit a report to the County Council containing certain information related to the development impact fee; and generally relating to impact fees.

By the Council, October 1, 2024

Introduced, read first time, ordered posted and public hearing scheduled

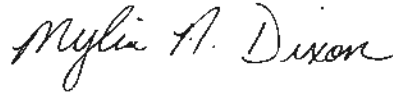
on: November 5, 2024

at: 6:30 PM

By Order: , Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on November 5, 2024, and concluded on November 5, 2024.



_____, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. (Brackets) indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

1 WHEREAS, a Public School Development Impact Fee was originally adopted pursuant to Bill
2 No. 05-21 to impose, collect, expend, and administer funds from new residential development so that
3 such development would contribute its fair share towards the costs of public schools and public school
4 facilities necessitated by such new development; and

5 WHEREAS, the development impact fee originally adopted in 2005 has not changed or
6 increased even though the school construction cost per square foot reported by the State of Maryland
7 has increased two hundred eighty-one percent (281%) since 2005; and

8 WHEREAS, in addition to reviewing changes in construction costs, it is necessary to
9 reexamine and update the per pupil yield by housing type, which a study conducted by an impact fee
10 consultant, TischlerBise, confirmed has changed between 2005 and the present; and

11 WHEREAS, a workgroup comprised of representatives from the Executive Branch, the
12 Council, the Harford County Board of Education and the Harford County community was formed in
13 2024; and

14 WHEREAS, with the guidance of TischlerBise, the workgroup compiled the data necessary to
15 update and determine the appropriate impact fees for new public schools and the development of
16 public school facilities necessary to support new residential development, and the below legislation
17 reflects the recommendations of the workgroup; and

18 WHEREAS, the workgroup determined that the appropriate impact fee for new single-family
19 detached housing should be \$12,819 per unit, for new townhomes should be \$13,692, for mobile
20 homes should be \$10,683, and for multi-family homes should be \$7,989; and

21 WHEREAS, the current State enabling legislation, Md. Code Ann., Local Gov't § 20-705,
22 establishes an upper limit on permissible impact fees of \$10,000 on new residential construction or

development; and

WHEREAS, in consideration of the statutory upper limit, the County Executive combined new single-family homes and townhomes and increased the impact fee to the statutory limit per unit of \$10,000, and in the interest of maintaining affordable housing, combined new multi-family homes and mobile homes and raised the impact fee to the lower recommended limit per unit of \$7,989; and

WHEREAS, in order for the development impact fees to reflect the actual financial impact of new construction or development of different types of housing, subject to the State enabling legislation limitation, it is necessary for the current impact fees to be increased as set forth below not to exceed the upper limit allowable under State law.

NOW THEREFORE,

Section 1. Be It Enacted By The County Council of Harford County, Maryland, ~~that new Section 123-41.2, Rules and regulations, be, and it is hereby, added to Article I, General Provisions; that Subsection E, of Section 123-55, Purpose and intent, of Article VI, Public School Development Impact Fee, be, and it is hereby, repealed and reenacted, with amendments;~~ that Section 123-59, Amount of impact fee, of Article VI, Public School Development Impact Fee, be, and it is hereby, repealed and reenacted, with amendments; that Subsections B, C, and D, of Section 123-59.1, Imposition and enforcement of development impact fee, of Article VI, Public School Development Impact Fee, be, and they are hereby, repealed and reenacted, with amendments; that Subsection C of Section 123-60, Exemptions, of Article VI, Public School Development Impact Fee, be, and it is hereby, repealed and reenacted, with amendments; and that new Section 123-62.1, Transitional provisions, be, and it is hereby, added to Article VI, Public School Development Impact Fee; all of Chapter 123, Finance and Taxation, of the Harford County Code, as amended, all to read as follows:

Chapter 123 Finance and Taxation

~~Article I General Provisions~~

~~§ 123-41.2 RULES AND REGULATIONS.~~

~~THE TREASURER SHALL HAVE THE AUTHORITY TO IMPLEMENT RULES AND
REGULATIONS IN ACCORDANCE WITH SECTION 807 OF THE HARFORD COUNTY
CHARTER TO ADMINISTER AND ENFORCE CHAPTER 123.~~

Article VI Public School Development Impact Fee

§ 123-55 Purpose and Intent.

The purpose and intent of this article is:

E. To incorporate herein by reference as if it were fully stated the school impact fee report, dated
[December 2, 2004] SEPTEMBER 10, 2024, prepared by [Tischler & Associates] TISCHLERBISE,
Inc.

§ 123-59 Amount of Impact Fee.

All new development in the service area shall be subject to the payment of a public school
development impact fee and all such funds collected shall be deposited in a special fund, as follows:

Residential Development	Impact Fee Per Dwelling Unit
Single-family detached	[\$6,000] \$10,000
Townhouse/duplex	[\$4,200] \$10,000
[All other residential (including mobile homes)]	[\$1,200]
MULTI-FAMILY	\$7,989
MOBILE HOME	\$7,989

THE DEVELOPMENT IMPACT FEE PER DWELLING UNIT SHALL INCREASE EACH YEAR
ON JANUARY 1 TO MATCH THE PERCENTAGE INCREASE PER SQUARE FOOT FOR
CONSTRUCTION COSTS AS ESTABLISHED BY IN THE STATE OF MARYLAND

INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION (IAC) ~~COST PER SQUARE~~
~~FOOT~~ FOR THE PREVIOUS FISCAL YEAR UP TO A MAXIMUM INCREASE OF FIVE (5)
 PERCENT PER YEAR. IN THE EVENT THAT THE INCREASE IN THE IAC COST PER
 SQUARE FOOT IS HIGHER THAN FIVE (5) PERCENT IN ANY YEAR, THE DEFICIT SHALL
 BE MADE UP IN THE SUBSEQUENT YEAR(S) UNTIL THE TOTAL PERCENTAGE
 INCREASE IN THE DEVELOPMENT IMPACT FEE SINCE JANUARY 1, 2025, MATCHES
 THE TOTAL PERCENTAGE INCREASE IN THE IAC COST PER SQUARE FOOT SINCE
 JANUARY 1, 2025. AT NO TIME SHALL THE DEVELOPMENT IMPACT FEE FOR ANY
 DWELLING UNIT EXCEED THE STATUTORY CAP SET FORTH IN MD. CODE ANN.,
 LOCAL GOV'T § 20-705, AS AMENDED.

§ 123-59.1 Imposition and enforcement of development impact fee.

B. WHERE AN EXISTING MOBILE HOME IS BEING REMOVED TO BUILD A NEW
 SINGLE-FAMILY DETACHED HOME, A BUILDING PERMIT SHALL NOT BE
 ISSUED UNTIL A DEVELOPMENT IMPACT FEE EQUAL TO THE DIFFERENCE
 BETWEEN THE CURRENT MOBILE HOME DEVELOPMENT IMPACT FEE AND
 THE CURRENT SINGLE-FAMILY DETACHED DEVELOPMENT IMPACT FEE IN
 EFFECT AT THE TIME SUCH BUILDING PERMIT APPLICATION HAS BEEN PAID.

[B]C. In no event shall a certificate of occupancy be issued unless the development impact fee
 required under this article has been paid.

[C]D. Lien. In the event that the new development is undertaken without the payment of the school
 development impact fee, the development impact fee shall:

- (1) Be a lien against the REAL PROPERTY OF THE site of development;

(2) Be levied, collected and enforced in the same manner as real property taxes imposed by the County; and

(3) Have the same priority and bear the same interest and penalties as real property taxes.

§ 123-60 Exemptions

C. An applicant who applies for a building permit [to redevelop, reconstruct or replace an existing or preexisting residential structure that will not result in any additional residential structures] shall be exempt from the payment of the development impact fee provided that: [the applicant applies for a building permit within 10 years of the date the existing or preexisting structure is deemed by the Director of Inspections, Licenses and Permits to have been demolished.]

(1) THE BUILDING PERMIT IS FOR THE REDEVELOPMENT, RECONSTRUCTION, OR REPLACEMENT OF A RESIDENTIAL STRUCTURE THAT HAS BEEN OR WILL BE DEMOLISHED;

(2) THE APPLICANT HAS APPLIED OR WILL APPLY FOR A DEMOLITION PERMIT PRIOR TO ANY SUCH DEMOLITION;

(3) AFTER SUCH DEMOLITION, THE APPLICANT IS ISSUED A NOTICE OF COMPLETION BY THE COUNTY;

(4) THE APPLICANT APPLIES FOR A BUILDING PERMIT TO REDEVELOP, RECONSTRUCT, OR REPLACE THE DEMOLISHED RESIDENTIAL STRUCTURE WITHIN 10 YEARS FROM THE DATE A NOTICE OF COMPLETION IS ISSUED BY THE COUNTY; AND

(5) NO OTHER RESIDENTIAL STRUCTURES ARE CONSTRUCTED IN
ADDITION TO THE REDEVELOPED, RECONSTRUCTED, OR REPLACED
RESIDENTIAL STRUCTURE.

§ 123-62.1 TRANSITIONAL PROVISIONS

IF A BUILDING PERMIT APPLICATION SUBMITTED PRIOR TO THE EFFECTIVE DATE
OF THIS BILL IS ALTERED ON OR AFTER SUCH EFFECTIVE DATE TO CHANGE THE
NUMBER OF STORIES OR INCREASE THE CUMULATIVE SQUARE FOOTAGE OF THE
STRUCTURE BY MORE THAN FIVE (5) PERCENT, THEN THE APPLICANT SHALL PAY
TO THE COUNTY THE DEVELOPMENT IMPACT FEE IN EFFECT AT THE TIME OF THE
ALTERATION PRIOR TO ISSUANCE OF A BUILDING PERMIT. IF THE APPLICANT PAID
THE DEVELOPMENT IMPACT FEE PRIOR TO THE ALTERATION, SUCH APPLICANT
SHALL, AT THE TIME THE REQUEST FOR ALTERATION IS SUBMITTED TO THE
COUNTY, PAY THE DIFFERENCE BETWEEN THE DEVELOPMENT IMPACT FEE
PREVIOUSLY PAID AND THE DEVELOPMENT IMPACT FEE APPLICABLE TO THE
PROPOSED CONSTRUCTION IN EFFECT AT THE TIME THE PROPOSED ALTERATION IS
SUBMITTED TO THE COUNTY. IN THE EVENT THE APPLICANT EXECUTED A
PROMISSORY NOTE IN ACCORDANCE WITH §123-59.1A(2) PRIOR TO THE
ALTERATION, SUCH APPLICANT SHALL EXECUTE AN AMENDED PROMISSORY NOTE
PREPARED BY THE COUNTY TO REFLECT THE DEVELOPMENT IMPACT FEE IN
EFFECT AT THE TIME OF THE ALTERATION PRIOR TO ISSUANCE OF THE
CERTIFICATE OF OCCUPANCY.

Section 2. And Be It Further Enacted that the County Executive shall submit to the County Council on March 1, 2027, a report containing the following information:

- (1) The effect the development impact fee, as established under this Act, has had on the number and type of residential building permits issued;
- (2) An update on the percentage increase to the per square foot construction costs as established by the Maryland Interagency Commission on School Construction since the enactment of this Act;
- (3) An update on the status of any proposed or adopted state legislation to increase the statutory cap of the Harford County development impact fee;
- (4) The total amount of development impact fee revenue collected based on this Act;
- (5) A list of school capacity projects including amounts per project and debt service the development impact fee has funded under this Act;
- (6) An explanation as to how school capacity projects funded with the development impact fee have decreased overcrowding in the schools; and
- (7) A list of all the current jurisdictions with school development impact fees and the amount of those fees.

Section 2.3. And Be It Further Enacted that this Act shall take effect ~~sixty (60) calendar days from the date it becomes law~~ on March 1, 2025.

EFFECTIVE: March 1, 2025

The Council Administrator does hereby certify that seven (7) copies of this Bill are immediately available for distribution to the public and the press.

Mylin A. Dixon

Council Administrator