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Council to discuss impact fee bill for new houses Tuesday

Members split over amendment that would increase payments

By Ted Shelsby
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Seeming more like a seesaw than legislation, the proposed impact fee on new homes in Harford could shift yet again.

The County Council is scheduled to take up an amendment Tuesday to restore the proposed fee, intended to pay for school construction, to the amount in the original legislation.

The bill was introduced in March and called for an \$8,269 fee on the purchase of a new single-family home. The fee for a townhouse or duplex was \$5,270, and \$1,637 for all other residential units, including mobile homes.

The tug-of-war over the impact fee amount reflects competing concerns over fiscal matters in the county. County Executive James M. Harkins wants to keep the fees low on the belief that the county's financial condition is improving, while council President Robert S. Wagner and some council members favor a wait-and-see approach.

Last month, Harkins offered an amendment that reduced the original fee by about 27 percent, saying the amounts were "clearly too high" and were established with the expectation that the council would reduce them.

Harkins offered an amendment last month that reduced the single-family home fee to \$6,000; townhouse and duplex, \$4,200; and all others to \$1,200.

The council approved the measure and rejected a second amendment to increase them back to the original amount over a period of several years.

Wagner said he anticipates a new amendment Tuesday that will restore the fees to the original amounts and predicted the measure will carry. He said the council vote last month to increase the fees was rejected by a 3-to-3 vote. A tie vote fails.

He said the vote was taken when Councilwoman Cecelia M. Stepp, who has supported the higher impact fee in the past, was absent.

"I'm guessing that there will be four members who want to bring the fee back to the \$8,200 figure at the top end," Wagner said.

He said a council vote on the bill could take place Tuesday. The council must act on the bill by June 21 or it automatically dies.

If Harford approves the fees, it will become the most recent in a series of fast-growing counties in the Baltimore area to impose an impact fee or excise tax to help pay for schools, roads and other infrastructure improvements associated with new development.

Howard County imposed an impact fee on new homes last July to help pay for schools.

Anne Arundel and Carroll counties have adopted impact fees or excise taxes to help pay for schools and roads to meet the needs of expanding populations.

Wagner said Harford's bill suffers from poor timing but is much needed.

"We are told by the administration there is not a need for the [impact fee] money this year, but there will be an ongoing need for it in the years ahead," he said.

Wagner said, "The county seems to be flush with money this year, but we need the fees as an ongoing revenue source to pay for school construction and renovation in the future when the county budgets are tight again."

Wagner, like some other members of the council, doesn't like the impact fee. He has said it places too much of the financial burden of paying for school on the backs of new homebuyers while buyers of previously owned homes don't have to pay the fee.

"But it was the only thing the legislature gave us," he said. "If we turn away now and don't implement what they did give us, we will never get anything again."

The council had asked its legislative delegation to the General Assembly for the authority to implement several revenue sources, including an excise tax on the purchase of all homes.

If the impact fee measure is approved, it would become effective July 1. Builders would pay the fee when obtaining a building permit. Typically, the costs of such fees are passed on to the homebuyer in the form of higher prices.

The fee would not apply to a replacement home, such as one destroyed by fire. It also would not apply to senior housing or homes built by nonprofit organizations for low-income families.

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