



## County Votes 4-3 To Kill Impact Fee For Schools

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02/23/2006 SNOW HILL, Md. – A mixed crowd of local realtors, town officials and citizens packed into the County Commissioners regular meeting room Tuesday to speak their minds on proposed county-imposed impact fees on new development, and after over three hours of debate and discussion, the verdict just barely came out in favor of future homebuyers.

As the team of Commissioners Virgil Shockley, Judy Boggs and Sonny Bloxom spoke in favor of a request to enact legislation to impose an impact fee to help fund new construction in local public schools, the remaining commissioners beat them out 4-3 following a motion by Commissioner Bud Church, who had originally refused to even put his name on the bill upon its introduction.

“I don’t believe there is a person up here who has more support for the school system than I do,” said Church of his reasons for motioning to oppose the bill. “My problem is timing. It’s not bad legislation, it’s bad timing.”

According to TischlerBise, Inc. financial consultants, the proposed impact fee would have, at the most, charged all new single-family detached homes \$5,942, moderate-intensity multi-family homes \$2,514 per unit, higher-intensity multi-family homes \$355 per unit and mobile homes and other residential units \$3,471.

Originally, the county’s reasons for proposing to enact the fee were to make the cost of new development pay for itself. Those costs will now have to come from somewhere else with this week’s

vote.

“All arguments aside, it comes down to a matter of philosophy – should new growth pay for itself?” said Bloxom. “If you vote against this impact fee, you should not go around saying growth should pay for itself.”

Agreeing with Bloxom’s summation, Shockley pointed out that with the high price tag attached to the school renovations on the county’s plate right now, which includes additions to renovations to Snow Hill and Pocomoke High Schools and the construction of a new career and technology center, and the expected future school improvements that will be necessary with the impact of all the new planned development within the county, resident property taxes would have to be raised without the implementation of an impact fee, which he said would be unfair to the existing taxpayers.

On the other side of the issue at Tuesday’s hearing, two organizations heading the local real estate market, the Coastal Association of Realtors (CAR) and the Eastern Shore Builder’s Association (ESBA), were represented by a lawyer who pleaded their case against the fee, while Ocean City town officials also showed up to plead the resort’s opposition to the extra charge on new homeowners.

According to CAR President Pat Terrill, the real estate market contributes more than enough to the county’s pot with transfer and recordation taxes that are applied to all new homes, and with an alleged \$15 million surplus in the county’s coffers, an impact fee is simply not needed.

“We recognize the importance of our county’s education and support new school construction, but we see no need for impact fees when the county is running a \$15 million surplus,” said Terrill, speaking on behalf of the 1,300 local professional and affiliate members of CAR.

However, in response to Terrill and several other realtors and citizens who tried to play the county surplus card, other individuals were quick to point out the majority of the county’s supposed excess funds are in fact already allocated to other projects.

“We call it a surplus but it’s not a surplus, it’s simply unmet needs,” said Pocomoke City Mayor Michael McDermott of all the extra money the county is believed to have right now.

Speaking on behalf of the impact fee on Tuesday, McDermott explained that with the estimated fee numbers broken down, each homeowner would have been charged between \$30 and \$35 a month, which he said did not seem too high for the cause.

“I don’t think \$30 to \$35 a month is a lot to pay for our kids,” he said.

Additionally, in the original proposal to move forward with a county impact fee, the details said that anyone purchasing a house for under approximately \$220,000 would not be exempt from the fee, which Bloxom actually requested be changed to \$237,000 to comply with current low income housing program

requirements, giving affordable housing inhabitants a break.

However, with local property assessments and the cost to build a house presently escalating, several realtors actually laughed at the \$237,000 figure, affirming that it is nearly impossible to buy a lot and build a house in most of Worcester County for that small of a figure.

“You cannot buy a lot in Worcester County and build a house on it for \$237,000,” said Ocean Pines resident and local builder David Walters. “It’s the local people who are going to get hurt, the local builders and the people they work for.”

After considerable discussion, Commissioner Sonny Bloxom made a motion to schedule a work session to further examine the pros and cons of the proposed impact fees, but that motion failed to pass.

Church then made a motion to reject the impact fee altogether, which passed by a narrow 4-3 vote with Commissioners Tom Cetola, Louise Gulyas, James Purnell and Church in favor and Bloxom, Boggs and Shockley opposed.

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