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Article published Feb 21, 2006

## Counties' impact fee proposals face scrutiny

SNOW HILL -- Ocean City officials, developers and Realtors are expected to rally today against the county's proposed impact fees, which would add thousands of dollars to the cost of new homes to cover escalating school costs.

Worcester County Commissioners will hold a public hearing to allow residents to weigh in on the controversial bill, which could add a \$5,900 cost to each new single-family home to pay for an estimated \$132 million in school construction expenses over the next six years.

Only District 3 Commissioner Bud Church has refused to sign on to the bill, citing the county's strong financial health. He said the fees will be passed on to homebuyers, exacerbating the county's affordable housing shortage. He said the additional fee could make the difference on a homebuyer's loan qualifications, or could double with interest over time.

"The county right now is financially in the best shape it's been in for many, many, many years," Church, himself a real estate broker, said. "The timing is horrible. On top of this impact fee, they are talking about cutting taxes. It's contradictory."

Ocean City officials and members of the Coastal Association of Realtors have joined Church in opposition. At a Town Council meeting last week, Ocean City officials critiqued the county's budget reports -- which includes a \$32 million surplus -- and said they simply could not support a new revenue stream.

Though the meeting's tone was antagonistic, Mayor Jim Mathias said he will attend the public hearing in hopes to mend fences.

"We took a position and said we couldn't endorse it at this time," Mathias said. "But you hope you have productive relationships that you are able to nurture, but in times you can't agree, you can still work to the next challenge."

Other commissioners said the impact fee could provide income to fund much-needed school improvements. The impact fee would only be applied to construction that would increase schools' capacity, meaning repairs or renovations are excluded, and must directly benefit those paying the fee.

A contracted county study indicated Worcester's three high schools -- Pocomoke, Snow Hill and Stephen Decatur -- are operating above or close to 100 percent capacity. Future projects there, as well as Showell Elementary and Stephen Decatur Middle School, require more than \$121 million in county funds, according to the Board of Education.

That doesn't include more than \$17 million in county money for the newly completed Ocean City Elementary School.

"I am surprised the mayor of Ocean City is critiquing the county budget," said County Commissioner Judy Boggs, who represents Ocean Pines. "And when he talks about surpluses, frankly, about \$5 million of that surplus is going to build a new library in Ocean City. I guess he forgot that."

Boggs said she is waiting to hear comments at the public hearing before taking a stance, but emphasized that she is "philosophically in support" of the impact fees.

The study, which projects a county population of 62,000 by 2020, recommends maximum impact fees of \$5,942 for single-family homes, \$2,514 for multifamily complexes between two and 19 units, \$355 for complexes with 20 or more units, and \$3,471 for mobile homes.

Impact fees are a relatively new technique used to raise revenue to pay for the costs associated with growth, such as with schools, landfills or public safety. So far, 10 counties in Maryland have adopted them in some form, as well as the towns of Berlin and Ocean City.

-- Jaime Malarkey

Daily Times Staff Writer

SALISBURY -- The rooster will crow early this morning for the Wicomico County Council, which has scheduled a work session beginning 90 minutes earlier than usual to continue reading and revising a bill that would levy educational impact fees on developers.

The council's extended debate on the legislation may be drawing to a close after months of discussion -- 30 or 60 minutes at a time, spread over three of the council's biweekly sessions. Today's debate marks the fourth time the council agenda, set by President Anthony Sarbanes, has called for a line-by-line review of the draft legislation.

"I'm hoping that (today) we can finish it up and everybody's comfortable with what's in the ordinance," said Councilwoman Stevie Prettyman, the impact fees' most resolute political supporter, in an interview Monday. "There's not much in the bill left to talk about."

Some supporters' frustration with the studied pace of the legislative review had boiled over at the council's first February meeting and led to the scheduling of the unusual early-morning work session at 8:30 a.m. before the council's regular meeting gets under way at 10 a.m.

"There are things we are holding up," Councilwoman Gail Bartkovich said Feb. 7. But Sarbanes, who has failed to gain majority support on the council for the excise tax he believes should be used to accumulate school-construction funds instead of an impact fee, said the slow pace was important.

"We're not going to adopt something that's piecemeal," Sarbanes said then, and he repeated his stance

Monday.

"I still think it's going to take us at least another meeting or two to get through it," Sarbanes said. "I'm sure it'll be voted on. I just don't know when."

If enacted, the impact fee bill would add \$5,231 to the cost of building a new single-family home and \$1,524 to the cost of building each unit in an apartment building, condominium or town house. The fees would be funneled to a special government account that would pay the costs of expanding local schools to accommodate the county's growth in population.

The most pressing school expansion project is the replacement of James M. Bennett High School, which is expected to use up more than \$36 million in local funds. The state government is also paying a share of the construction costs, beginning next year.

Council Democrats have long supported an excise tax, which can be used for a wider range of projects than impact fees can, but haven't been able to get the county's bylaws changed by the General Assembly to allow them to impose one. It is already legal for the county to impose an impact fee, however.

This year, some excise tax supporters have reluctantly pinned some of their hopes on an impact fee instead.

"I think we've got to pass it because we've got to get some money coming in. It's not the right vehicle from my perspective. I still prefer the excise tax," Councilman Marvin Long said Monday. "To be perfectly honest, we really need both of them."

Later today, the council is also expected to discuss several municipalities' requests for a tax differential, which would reduce the amount of taxes their residents pay to the county for services that both towns and the county provide, like law enforcement.

--James Fisher

Daily Times Staff Writer

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