



## FREDERICK COUNTY COUNCIL

### Local Government Fiscal and Policy Note

#### CONTACT INFORMATION AND GENERAL INSTRUCTIONS

<b>Bill Number/Reference:</b>	19-12
<b>Bill Title:</b>	Allocation of Recordation Tax Proceeds to the Housing Initiative Fund for the Facilitation of Affordable Housing in Frederick County
<b>Local Government Agency:</b>	Frederick County Division of Finance
<b>Prepared By:</b>	Erin White
<b>Title:</b>	Deputy Director
<b>Phone Number:</b>	301-600-1193
<b>E-Mail Address:</b>	<a href="mailto:ewhite@frederickcountymd.gov">ewhite@frederickcountymd.gov</a>
<b>Due Date:</b>	July 16, 2019
<b>Date Submitted:</b>	

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<b>Date:</b> <b>Please respond to the questions below. If you prefer to provide responses or additional information in a separate file or document, send the file or document in a separate e-mail to <a href="mailto:rcherney@frederickcountymd.gov">rcherney@frederickcountymd.gov</a> with the bill number/reference in the subject line.</b>					
1.	Describe the impact of this proposed legislation on your agency (operations, revenues, expenditures, etc). If there is no impact, <u>please explain why</u> .				
<p>This bill will establish a 1.5 % allocation and use percentage of the Recordation Tax to the Housing Initiative Fund for the facilitation of affordable housing in Frederick County. The FY 2019 Budget provided the first ever dedicated stream of revenue to add stability and predictability to the Housing Initiative Fund by setting aside the equivalent of 1.5% of existing general fund recordation tax revenue. This new revenue to the Housing Initiative Fund will help to begin making meaningful progress to address affordable housing issues in the County.</p>					
2.	Please indicate whether the proposed legislation will affect small businesses in Frederick County, and if it will, please provide any information you may have which could be useful in determining the economic impact on small businesses.				
<p>This bill should not have an impact on small businesses in Frederick County.</p>					
<b>FISCAL IMPACT SUMMARY – SHOW (DECREASE) IN PARENTHESES</b>					
<b><u>REVENUES</u></b>					
3.	Analysis of <b>estimated increase (or decrease) in government revenues</b> . Please estimate below any anticipated increase (or decrease) in revenues resulting from this legislation. Please be aware of any delayed effective dates in the bill or other factors that may cause revenue increases/decreases to begin in later years.				
<b>Source</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Recordation Tax – General Fund (Unrestricted)	\$(581,490)	\$(610,560)	\$(641,090)	\$(673,150)	\$(706,800)
Recordation Tax – Housing Initiative Fund	581,490	610,560	641,090	673,150	706,800
<b>TOTAL \$</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
	<b>Please explain how the above estimated increase(s) or decrease(s) were arrived at, including any calculations and/or assumptions made. Please also explain any variation if the revenue increase(s)/decrease(s) are not constant.</b>				
<p>The FY20 budget included the 1.5% recordation tax allocation to the Housing Initiative Fund and the corresponding reduction in the allocation of Unrestricted General Fund (58.333% to 56.833%). A projected growth rate of 5% was assumed for FY21 – FY24.</p>					

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<u>EXPENDITURES</u>						
<b>4.</b>	Analysis of <b>estimated increase (or decrease) in government expenditures</b> . Please estimate below any anticipated increase (or decrease) in expenditures resulting from this legislation. Please be aware of any delayed effective dates in the bill or other factors that may cause expenditure increases/decreases to begin in later years.					
	<b>A. Salaries &amp; Wages</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
	FTE Employees - _____ # of positions Fringe Benefits					
	<b>TOTAL (Salaries, wages &amp; benefits)</b>	\$	\$	\$	\$	\$
N/A	<b>Please provide an explanation of the need for the number and type of any personnel listed above, including (1) what specific provision(s) of the bill necessitate additional staff; (2) what the duties of each type employee will be; and (3) why existing personnel cannot absorb the additional work. Please also certify the wage/salary rate and % fringe rate (if differing rates apply) for each personnel classification.</b>					
	<b>B. Other Operating Expenses</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
	Technical/Special Fees, Grants/Subsidies Communications-Phone, Postage Travel, Food, Auto, Fuel & Utilities Contractual Services Supplies Equipment-Replacement Equipment-Additional Land & Structures, Fixed Charges Other (Please Specify on Extra Page(s))					
	<b>TOTAL (Expenditures)</b>	\$	\$	\$	\$	\$
	<b>On the next page, please provide brief descriptions/breakdowns of the above “Other Operating Expenses.”</b>					
	<b>Please explain below any additional calculations or assumptions made in estimating the “Other Operating Expenses” that will help us to understand the amounts and timing of the expenses.</b>					
N/A – It is not anticipated that this legislation would create the need for additional staff or increase the operating expenses of the County.						

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#### 4. (cont'd)

#### **C. Operating Expense Descriptions/Breakdowns**

Please provide below a short description of the specific purpose of each expense listed under 4B. If any amount(s) listed under 4B represent(s) a total of multiple expenses, provide a breakdown of the fiscal 2018 amount with a short description of each expense (for example, if \$2,500 is listed for Communications – Phone, Postage, a statement such as “\$1,500 for cellphone charges for two new inspectors and \$1,000 for postage for mailings to permittees to notify them of changes to inspection requirements.”)

#### **Fiscal 2020 Expenditures**

<b>Technical/Special Fees, Grants &amp; Subsidies</b> description/breakdown	\$
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<b>Communications – Phone, Postage</b> description/breakdown	\$
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<b>Travel, Food, Auto Operations, Fuel &amp; Utilities</b> description/breakdown	\$
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<b>Contractual Services</b> description/breakdown	\$
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<b>Supplies</b> description/breakdown	\$
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<b>Equipment-Replacement</b> description/breakdown	\$
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<b>Equipment-Additional</b> description/breakdown	\$
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<b>Land &amp; Structures, Fixed Charges</b> description/breakdown	\$
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<b>Other (Please Specify)</b> description/breakdown	\$
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#### **ADDITIONAL POLICY IMPLICATIONS/CONCERNS**

Please submit BY E-MAIL to: Ragen Cherney, Legislative Director/Chief of Staff  
Frederick County Council • E-Mail: [RCherney@FrederickCountyMD.gov](mailto:RCherney@FrederickCountyMD.gov)