FREDERICK COUNTY COUNCIL

Local Government Fiscal and Policy Note

CONTACT INFORMATION AND GENERAL INSTRUCTIONS

Bill Number/Reference:	19-12 **Amended**
Bill Title:	Allocation of Recordation Tax Proceeds to the Housing Initiative Fund for the Facilitation of Affordable Housing in Frederick County
Local Government Agency:	Frederick County Division of Finance
Prepared By:	Erin White
Title:	Deputy Director
Phone Number:	301-600-1193
E-Mail Address:	ewhite@frederickcountymd.gov
Due Date:	
Date Submitted:	

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Date:

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 rcherney@frederickcountymd.gov with the bill number/reference in the subject line.

1.	Describe the impact of this proposed legislation on your agency (operations, revenues, expenditures, etc). If there is no impact, please explain why.

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.

Amendment 1: This amendment will increase the allocation percentage of Recordation Tax to the Housing Initiative Fund from the original bill starting in FY 22 from 1.5% to 2.0% and FY23 and thereafter from 1.5% to 2.5%. There will be a corresponding decrease to the Unrestricted General Fund Recordation Tax allocation in FY22 from 58.333% to 56.333% and FY23 and thereafter from 58.33% to 55.833%.

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.

This bill should not have an impact on small businesses in Frederick County.

Amendment 1: No change

FISCAL IMPACT SUMMARY – SHOW (DECREASE) IN PARENTHESES

REVENUES

3.	Analysis of **estimated increase (or decrease) in government revenues.** 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.

Source	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
Recordation Tax – General Fund (Unrestricted)	$(581,490)	$(610,560)	$(854,780)	$(1,121,910)	$(1,178,000)
Recordation Tax – Housing Initiative Fund	581,490	610,560	854,780	1,121,910	1,178,000
TOTAL $	$ 0	$ 0	$ 0	$ 0	$ 0

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.

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.

Amendment 1: No changes were made to original bill that would have a fiscal impact on FY20 or FY21. This amendment increases the allocation percentage of Recordation Tax to the Housing Initiative Fund from the original bill in FY 22 from 1.5% to 2.0% or $213,690 ($854,780-$641,090**); FY23 and thereafter would increase from 1.5% to 2.5% or $448,760($1,121,910-**$673,150**) and $471,200($1,178,000-**$706,800**) for FY23 and FY24, respectively. There will be corresponding decreases to the Unrestricted General Fund Recordation Tax allocation in FY22 from 58.333% to 56.333% and FY23 and thereafter from 58.33% to 55.833%.**

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EXPENDITURES					
4.	Analysis of **estimated increase (or decrease) in government expenditures.** 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.				
A. Salaries & Wages	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
FTE Employees - _____ # of positions Fringe Benefits					
TOTAL (Salaries, wages & benefits)	$	$	$	$	$
N/A	**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. Other Operating Expenses	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
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)					
TOTAL (Expenditures)	$	$	$	$	$
	On the next page, please provide brief descriptions/breakdowns of the above “Other Operating Expenses.”				
	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.				

N/A – It is not anticipated that this legislation would create the need for additional staff or increase the operating expenses of the County.

Amendment 1: No Change

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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

Technical/Special Fees, Grants & Subsidies **$**
description/breakdown

Communications – Phone, Postage **$**
description/breakdown

Travel, Food, Auto Operations, Fuel & Utilities **$**
description/breakdown

Contractual Services **$**
description/breakdown

Supplies **$**
description/breakdown

Equipment-Replacement **$**
description/breakdown

Equipment-Additional **$**
description/breakdown

Land & Structures, Fixed Charges **$**
description/breakdown

Other (Please Specify) **$**
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