



FREDERICK COUNTY COUNCIL

Local Government Fiscal and Policy Note

CONTACT INFORMATION AND GENERAL INSTRUCTIONS

Bill Number/Reference:	20-03
Bill Title:	Providing Additional Support for Agriculture Preservation by Increasing the Recordation Tax and Reallocating Recordation Tax Revenues
Local Government Agency:	Frederick County Finance Division
Prepared By:	Erin White
Title:	Deputy Director of Finance
Phone Number:	301-600-1193
E-Mail Address:	ewhite@frederickcountymd.gov
Due Date:	March 3, 2020
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, <u>please explain why</u> .
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The proposed legislation would increase the current recordation tax rate by \$1.00 from \$6.00 to \$7.00 per \$500 of consideration. The additional revenue generated will be used to support increased investment in Frederick County agricultural preservation and accelerate its progress toward permanently preserving 100,000 acres of farmland by 2040.

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.
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This legislation will have a positive fiscal impact on Frederick County's agricultural community and the small farms that benefit from the County's increased investment in agricultural preservation.

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.
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Source	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Recordation tax		\$6,800,000	\$6,800,000	\$6,800,000	\$6,800,000
TOTAL \$	\$	\$6,800,000	\$6,800,000	\$6,800,000	\$6,800,000

	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.
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The proposed legislation will generate approximately \$6,800,000 of new revenue annually. This revenue will be dedicated to agriculture preservation. The first \$500,000 of the additional revenue will be set aside annually for 1) agriculture diversification economic development grants; 2) rural historic preservation; and 3) first-time homebuyer assistance. Amounts allotted to each purpose will be established annually in the budget.

The proposed allocation percentages hold harmless Frederick County's investment in other areas such as parks, school construction and housing.

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<u>EXPENDITURES</u>						
4.	<p>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.</p>					
	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	<p>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.</p>					
	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))		\$6,800,000	\$6,800,000	\$6,800,000	\$6,800,000
	TOTAL (Expenditures)	\$	\$6,800,000	\$6,800,000	\$6,800,000	\$6,800,000
	<p>On the next page, please provide brief descriptions/breakdowns of the above "Other Operating Expenses."</p>					
	<p>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.</p>					
<p>The proposed legislation will increase operating expenses by approximately \$6,800,000. The additional expenses incurred will be dedicated to agriculture preservation. The first \$500,000 of the additional expense will be set aside annually for 1) agriculture diversification economic development grants; 2) rural historic preservation; and 3) first-time homebuyer assistance. Amounts allotted to each purpose will be established annually in the budget.</p>						

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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