



**ANNE ARUNDEL COUNTY
OFFICE OF THE COUNTY AUDITOR**

To: Councilmembers, Anne Arundel County Council
From: Michelle Bohlayer, County Auditor
Date: October 27, 2021
Subject: Auditor Review of Legislation for the November 1, 2021 Council Meeting

**Bill 80-21:
Floodplain Management,
Erosion and Sediment
Control, Stormwater
Management, and
Subdivision and
Development – Violation,
Enforcement, and
Penalties – Civil Fines –
Clearing Trees of
Significant Size (As
Amended)**

Summary of Legislation

This bill makes it a Class A civil offense to clear trees of significant size in violation of County erosion and sediment control law and amends the factors to be used when determining a fine for a Class A civil offense to remove the limitation to Class A civil offenses only for violations in the critical area.

We commented on this bill in our letter dated October 13, 2021. At the October 18, 2021 Council meeting, this bill was amended to amend the Article 17 definition of clearing and add a definition of hazardous tree. We have no further comments on this bill.

**Bill 83-21:
Zoning – General
Provisions – Uses and
Structures – Temporary
Uses**

Summary of Legislation

This bill extends the temporary use authorization for outdoor seating at restaurants granted by Executive Orders #22 and #46 and Bill 55-21. The provisions of this emergency ordinance will remain in effect until January 2, 2023 and, unless the food service facility obtains all authorizations and permits and permission required by law, the outdoor seating facilities must be removed no later than January 11, 2023.

Review of Fiscal Impact

This bill has no direct fiscal impact.

**Bill 84-21:
Approval of Lease of
County-Owned Property
to the Boys & Girls Clubs
of Annapolis and Anne
Arundel County, Inc.**

Summary of Legislation

This bill approves a 50 year lease of a portion of a County-owned property known as the Severn Center, located at 1160 Reece Road in Severn, to the Boys & Girls Clubs of Annapolis and Anne Arundel County, Inc. (Boys & Girls Clubs). Under the terms of the lease, the Boys & Girls Clubs will pay an annual rent of \$1 and will have the right to renew the lease for an additional period of 50 years. The renewal lease will also be subject to approval by the County Council.

Exhibit A, the Boys & Girls Clubs lease summarizes the following contract provisions:

- The Boys & Girls Clubs will have the burdens and the benefits of ownership.
- Any personal property not removed by the Boys & Girls Clubs following the end of the term will become the sole property of the County.
- The Boys & Girls Clubs will pay all costs, expenses, and obligations of every kind or nature relating to the Boys & Girls Clubs facility which may arise or become due during the term.
- The Boys & Girls Clubs are solely responsible for the alterations, maintenance, repair, and replacement of all utility systems within the Boys & Girls Clubs facility.
- Utility connection fees charges by the utility service providers will be paid by the County.
- Beginning on the commencement date, the Boys & Girls Clubs must maintain a replacement reserve account for the purpose of paying costs associated with the performance of reasonable maintenance and must deposit monthly, an amount not less than \$1,000, into this account.
- The Boys & Girls Clubs must prepare and provide the County on an annual basis a copy of: the operations manual, operating budget outlining anticipated revenues and expenses for the next year, and an annual financial report prepared and certified by an independent certified public accountant.
- The Boys & Girls Clubs must purchase and maintain insurance at the levels specified in the agreement.

Review of Fiscal Impact

This lease agreement is the result of the Severn Center capital project, managed by Arundel Community Development Services, Inc. and funded with the following sources: County funds (\$200,000), Local Development Council Video Lottery Terminal funds (\$10,707,000), Community Development Block grant (\$1,000,000), State of Maryland legislative capital grants (\$3,000,000), and a Maryland Department of Aging grant (\$800,000). This funding was specifically committed for multiple purposes, including the space for the Boys & Girls Clubs. The Boys & Girls Clubs space includes a full size gymnasium and Teen Club. This bill has no direct fiscal impact.

**Bill 85-21:
Subdivision and
Development – Adequate
Public Facilities – Public
Schools**

Summary of Legislation

This bill modifies the provisions for an exemption from requirements for adequate public facilities for schools and restores provisions relating to the school utilization chart as they existed before the sunset of Bill 15-18. This bill provides that a developer may obtain an exemption from the requirements for adequate public facilities for schools for five or less lots in a subdivision of single family dwellings or for five or less dwelling units on a site development plan if the developer has owned the property for at least three years. In addition, the bill provides that an agreement related to the exemption reflect that the developer acknowledges that the exemption is limited to five lots or dwelling units. This bill, with the amendments to be introduced, will restore provisions relating to the school utilization chart in its entirety as they existed before the sunset of Bill 92-17 and 15-18.

Review of Fiscal Impact

Per the Office of Planning and Zoning (OPZ), this bill has no direct fiscal impact, however, this bill may over time result in some proposed development projects to be placed on the school waiting list that would otherwise not have been, which could in turn impact the development project's financial feasibility. This could in turn relate to lost impact fees, permit fees, and property tax revenue. We agree that the reinstatement of these provisions will likely limit future residential development and could reduce the amount of impact and permit fees and taxes collected by the County.

OPZ does not expect a change in workload from the passing of this bill and no additional resources are anticipated. Based on the current utilization data sets from the Board of Education and the impact of either an elementary or middle school going from 100% to 95% capacity, OPZ has estimated that an additional five current projects could qualify for the exemption, assuming ownership requirements can be met.

Certain provisions of this bill potentially can make school testing for adequate public facilities easier and other provisions can potentially make the testing more difficult. With the sunset of Bill 15-18, capacities were allowed to rise to 100% for all three levels (elementary, middle, and high school) and the development impacts related to new student generation were not required to be added to the existing enrollment. This bill requires testing from development impacts related to new student generation to be added to existing schools. Elementary and middle schools are limited to 95% capacities and high schools are limited to 100%. This bill requires development to add their impacts to existing school enrollments to confirm capacities. This results in some proposed development projects to potentially be placed on the school waiting list that would otherwise not have been.

**Bill 86-21:
Finance, Taxation, and
Budget – Real Property
Taxes – Tax Credits –
Public Safety Officer
Property Tax Credit**

Summary of Legislation

This bill extends the duration of the Public Safety Officer Property Tax Credit to a maximum of ten years. Bill 81-17 established the Public Safety Officer Property Tax Credit for a maximum of five years, with the initial tax credit for one taxable year and a renewal of the tax credit for four additional taxable years.

This bill increases the renewal of the tax credit from four additional taxable years to nine additional taxable years making the tax credit available for a maximum of ten years. In addition, the bill also provides for the termination of the tax credit after a public safety officer receives it for ten taxable years.

Review of Fiscal Impact

The Public Safety Officer Property Tax Credit began in fiscal year 2019 (FY19). The property tax credits granted since the program began are as follows:

- FY19: 703 credits were granted totaling \$1,445,026;
- FY20: 730 credits were granted totaling \$1,540,777;
- FY21: 758 credits were granted totaling \$1,626,869; and
- FY22: 725 credits were granted totaling \$1,633,308.

According to the Office of Finance (Finance), for FY22, out of the 725 tax credits granted, 644 were renewals. Finance expects that the current applicants still eligible will apply for the additional five years along with any new applicants, however, Finance does not anticipate needing any additional resources due to the additional renewal applications.

Due to the County's practice of maximizing the property tax revenue under the tax cap, the additional years of the tax credit renewal would not impact the property tax revenue collected by the County, but rather would be absorbed by the remaining tax base.

**Bill 87-21:
Licenses and Registrations
– Amusements –
Commercial Bingo and
Alcoholic Beverages**

Summary of Legislation

This bill repeals the prohibition against serving alcoholic beverages during commercial bingo games.

Review of Fiscal Impact

The County has a maximum of three commercial bingo licenses, which are all currently active. This bill does not have a direct fiscal impact.

**Resolution 48-21:
Approving the Application
for a Grant Under the
Edward Byrne Memorial
Justice Assistance Grant
Program**

Summary of Legislation

This resolution approves the application to the United States Department of Justice, Office of Justice Programs, to administer the Edward Byrne Memorial Justice Assistance Grant Program Fiscal Year 2021 (FY21) Local Solicitation. This grant application requires that it be made available for review by the governing body of the applicant jurisdiction.

Review of Fiscal Impact

This resolution approves the application for this grant in the amount of \$150,462 for the federal FY21 grant to be received in the County FY22 Budget. This grant does not require any matching funds.

**Resolution 54-21:
Requesting the Charter
Revision Commission to
Consider Certain Issues**

Summary of Legislation

This resolution requests the Charter Revision Commission to consider certain issues during their comprehensive study of County Government and updating the Charter, including revision of the Councilmanic districts.

Review of Fiscal Impact

This resolution has no direct fiscal impact.

**Resolution 55-21:
Approving the
Nominations for
Appointment to the
Stakeholder Advisory
Committee for Region
Planning Area No. 2**

Summary of Legislation

This resolution approves the nominations for 15 appointments to the Stakeholder Advisory Committee for Region Planning Area No. 2.

Review of Fiscal Impact

This resolution has no fiscal impact.

**Resolution 56-21:
Approving the
Nominations for
Appointment to the
Stakeholder Advisory
Committee for Region
Planning Area No. 4**

Summary of Legislation

This resolution approves the nominations for 15 appointments to the Stakeholder Advisory Committee for Region Planning Area No. 4.

Review of Fiscal Impact

This resolution has no fiscal impact.

**Resolution 57-21:
Approving the
Nominations for
Appointment to the
Stakeholder Advisory
Committee for Region
Planning Area No. 7**

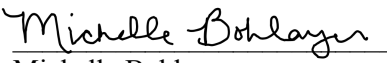
Summary of Legislation

This resolution approves the nominations for 15 appointments to the Stakeholder Advisory Committee for Region Planning Area No. 7.

Review of Fiscal Impact

This resolution has no fiscal impact.

Sincerely,


Michelle Bohlayer
County Auditor