



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

**To:** Councilmembers, Anne Arundel County Council  
**From:** Michelle Bohlayer, County Auditor  
**Date:** June 30, 2023  
**Subject:** Auditor's Review of Legislation for the July 3, 2023 Council Meeting

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**Bill 51-23:  
The Issuance, Sale and  
Delivery of Anne Arundel  
County General  
Obligation Bonds and  
Bond Anticipation Notes**

**Summary of Legislation**

This bill authorizes the sale and issuance of bonds, bond anticipation notes, and Maryland Water Quality Revolving Loan Fund bonds consistent with the Fiscal Year 2024 (FY24) Proposed Capital Budget. The Administration introduced the bill before the Council finalized and approved the FY24 Capital Budget and plans to introduce an amendment at the July 3, 2023 Council meeting to make the bill consistent with the FY24 Approved Capital Budget. We will comment on the amended bill in our next Auditor's Review of Legislation letter for the July 17, 2023 Council meeting.

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**Bill 52-23:  
Subdivision and  
Development – Adequate  
Public Facilities –  
Adequate School Facilities  
– Affordable Housing –  
Workforce Housing –  
School Utilization Chart**

**Summary of Legislation**

This bill repeals the termination date most recently established by Bill 9-23 for certain provisions related to adequate public facilities and public schools. The bill makes affordable and workforce housing exempt from school adequate public facilities requirements, but subject to other adequate public facilities requirements (i.e., fire suppression, roads, sewage disposal, storm drain, and water supply). The standards for a development to pass the test for adequate school facilities are amended in this bill to allow development if a specified new school, that has not been given a geographical attendance area, in an adjacent geographical attendance area has available capacity sufficient to render a closed school of the corresponding educational level less than 100% of the state-rated capacity.

This bill makes several changes to procedures for developing the school utilization chart, including modifying deadlines for revisions from the Office of Planning and Zoning (OPZ), changing the threshold for a closed school from 95% to 100% of the state-rated capacity, modifying the method to project enrollment to reflect new development projects and actual enrollment data as of September 30 of the year immediately preceding the date of the utilization chart, and authorizing certain new schools to be considered available capacity for adjacent schools.

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**Bill 52-23 (continued)****Review of Fiscal Impact**

This bill has no direct fiscal impact. However, if Bill 9-23 is allowed to expire, it could result in increased future residential development and potentially increase the amount of impact and permit fees and taxes collected by the County if certain proposed development projects are no longer placed on the school waiting list. OPZ does not expect a change in workload from the passing of this bill and no additional resources are anticipated.

To the extent the bill's revised enrollment and school utilization chart procedures allow greater use of existing school facilities, school expansions or new construction needs may decrease creating school construction savings. The May 2023 Adequate Public Facilities Workgroup report estimates that increasing the current school utilization rate cap to 100% would result in opening 12 elementary schools and 2 middle schools. According to the Board of Education, the utilization increase may increase expenditures associated with supplies and materials and result in additional portable classroom expenditures.

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**Bill 53-23:  
Zoning – Solar Energy  
Generating Facilities****Summary of Legislation**

This bill adds rooftop-mounted only solar generating facilities as conditional uses in additional commercial zoning districts (C1, C2, C3) and limits solar energy generating facilities to rooftop-mounted only facilities in the W1 industrial zoning district. The bill also exempts solar generating facilities on County-owned or leased property, sanitary landfills, reclamation areas, and rooftops from specified lot coverage limitations. The bill exempts rooftop-mounted only facilities from certain conditional use requirements, modifies solar energy generating facility special exceptions related to property coverage and location, and creates exemptions for County-owned or leased properties. The bill clarifies that facilities that require a specified certificate from the state Public Service Commission are not required to comply with certain County special exception and conditional use requirements.

**Review of Fiscal Impact**

The Administration's fiscal note indicates that the County will realize property tax revenues from any private solar developments, as well as lease revenues and energy savings from projects on County-owned lands, however, the fiscal impact of this legislation cannot be estimated at this time because the number and scope of solar projects that will be developed is unknown. The Administration was unable to provide data on the amount of related or similar revenues currently collected by the County.

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**Bill 54-23:  
Finance, Taxation, and  
Budget – Real Property  
Taxes – Credits – High  
Performance Buildings**

**Summary of Legislation**

This bill establishes a high performance building real property tax credit for commercial use properties and amends the definition of high performance dwelling. This bill also modifies existing residential high performance building tax credit calculations to allow application on a per building basis and eliminates the requirement for a specified external review of high performance buildings tax credit applications.

**Review of Fiscal Impact**

The high performance real property tax credit for principal residential structures began in fiscal year 2010 and is limited to five tax years. The chart below illustrates the residential property tax credits granted over the past five years provided by the Office of Finance.

<b>Fiscal Year</b>	<b>Number of Properties</b>	<b>Amount of Tax Credit</b>
2023	28	\$31,180
2022	28	\$30,840
2021	33	\$35,150
2020	24	\$23,820
2019	27	\$27,360

Each recipient requesting these tax credits is reviewed initially for their eligibility. The Office of Finance does not anticipate a significant change in workload from this bill and no additional resources are anticipated to be required.

Data from the National Green Building Standard Green Certification 2021 data file as of June 26, 2023 indicated that there are at least 19 commercial buildings which may qualify for the Silver certified tax credit. Based on the establishment of the commercial building credit and data illustrating potentially eligible buildings, the number of tax credits could increase substantially. However, we cannot determine how many commercial use buildings will meet the proposed requirements and how many property owners will apply for and receive this credit. Therefore, it is difficult to determine the fiscal impact.

Real property tax credits reduce taxes collected by the County, however, if the County maximizes the property tax revenue under the tax cap, the fiscal impact of the change in eligibility for the tax credit would not impact the property tax revenue collected by the County but rather would be absorbed by the remaining tax base.

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**Bill 55-23:  
Construction and Property  
Maintenance Codes –  
Codes and Supplements –  
Fire Prevention Code –  
Zoning – Recovery  
Residences, Group Homes,  
and Community-Based  
Assisted Living Facilities**

**Summary of Legislation**

This bill establishes fire prevention code requirements for recovery residences, group homes, or community-based assisted living facilities established in a single-family detached dwelling under certain conditions. The bill defines recovery residence and modifies the definitions of group home I and group home II. The bill requires proposed recovery residences, group homes and community-based assisted living facilities with six or more occupants to comply with change in occupancy provisions and permits existing recovery residences to be classified as single-family detached dwelling under certain conditions. Recovery residence are added as a permitted use in all residential districts and authorized to have a specified number of onsite parking spaces.

This bill also subjects group home II facilities to new and modified requirements for conditional uses and requires recovery residences with five or fewer occupants to comply with the 2018 International Residential Code.

**Review of Fiscal Impact**

The Department of Inspections and Permits, Department of Health, and OPZ do not anticipate a significant change in workload from this bill and no additional resources are anticipated to be required.

This bill requires completion of an estimated 200 to 300 annual inspections of dwellings operating as recovery homes that are not currently subject to mandatory annual inspections. The Fire Department advises it cannot absorb this additional workload and a new Fire Inspector position would be required to complete the inspections. Annual salary costs for one Fire Inspector range from approximately \$83,000 to \$125,000. The fiscal impact of this position will depend on the hiring date, negotiated salary, and associated benefits.

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**Resolution 25-23:  
Nominating Tonii Gedin  
as County Health Officer**

**Summary of Legislation**

This resolution confirms the nomination of Tonii Gedin as the County Health Officer and submits this nomination to the Maryland Department of Health Secretary.

**Review of Fiscal Impact**

This resolution has no fiscal impact.

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**Resolution 26-23:  
Approving Appointment  
of Cedric Johnson to the  
Police Accountability  
Board**

**Summary of Legislation**

This resolution confirms the appointment of Cedric Johnson to serve on the Police Accountability Board for the remainder of a term expiring on June 30, 2024.

**Review of Fiscal Impact**

This resolution has no fiscal impact.

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**Resolution 27-23:  
Confirming the  
Appointments of Members  
to Serve on the Personnel  
Board for Anne Arundel  
County**

**Summary of Legislation**

This resolution confirms the reappointment of Surita Durant and the appointment of Andrea Mansfield to serve on the Personnel Board for terms that expire on December 6, 2026.

**Review of Fiscal Impact**

This resolution has no fiscal impact.

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