



Dear Council Members,

My name is Ryan Powers from Glenwood, and I am speaking on behalf of the Howard County Citizens Association. The HCCA asks you to vote “No” on CB54-2025, amending the new construction definition.

Demolishing buildings to create entirely new ones changes the fundamental characteristics of road infrastructure around that area and beyond. Even if no additional square footage is added to the building, there will be more road use than there was before. We don’t think additional infrastructure needs should only be the responsibility of the taxpayer. Instead, added burdens should always be paid mostly by the developer. It is worth noting Howard County does not have a formula to provide adequate public infrastructure for police, fire, EMS, roads, hospitals, or schools as residents are added.

Unlike current language in the code which doesn’t tax a new building if a catastrophic event happens, voluntarily choosing to demolish a building could imply many things: a building simply may be demolished because a developer has a better return on investment from a new building, or, as the likely case in the Gateway Master Plan, a commercial building may be demolished in favor of mixed-use residential. In this case, the building use has fundamentally changed, and so has the impact on roads.

We realize there is a road impact fee in adequate public facilities ordinances, but those only cover a short span of road close to the development. We believe the building excise tax is needed to make up the balance for the county overall.

The FY26 Howard County Budget states, “More than \$15 million will support road resurfacing projects to maintain the County’s aging infrastructure.” The County plans to increase its spending on road resurfacing in FY27 by 50%, to \$22,650,000. We believe the county can’t afford to reduce its revenue from current and future buildings built after demolition.

The fiscal impact note on this bill reports there is little fiscal impact to the county. However, it does not specifically examine the revenue generated from the building excise tax. This note concerns demolition permits, of which there were 14 commercial and 114 residential in FY25. If

we assume these buildings are demolished to make room for newer buildings in the future, this potentially represents a significant amount of revenue, of approximately (back of the envelope calculations here) 775,000 alone from residential buildings, or 5% of the road resurfacing budget for FY26. Should taxpayers be responsible for at least 5% more of road expenses? The total amount of revenue from the building excise tax in FY24 was about 5.2 million dollars. It would be interesting to actually know the amount of revenue from the building excise tax due to buildings built on reused ground. The staff was great at answering questions and suggested I bring my concerns to you.

Thank you,

Ryan Powers, on behalf of HCCA