

June 13, 2023

Good Afternoon President Glass and Council Members,

My name is Laura Stewart and I am testifying as MCCPTA CIP Chair on Expedited Bill 25-23. First, I would like to thank you for the passage of the Recordation Tax Rate Modification. Raising a tax rate, even when it is progressive and is for the good of the county, is not an easy vote. I agree that Expedited Bil 25-23 and the proposed resolution are needed because the council should intervene when there are extraordinary swings in taxes year to year. This creates uncertainty and could depress economic growth in our county. Requiring a cumulative increase or decrease in the construction cost index rather than an annual average every two years is a fix that should move forward. I agree with Councilmember's Jawando's memo that suggests a more moderate cap of 25% so that we result in fewer cuts in the budget that was only passed weeks ago.

I absolutely believe capping is necessary for the near future, but I would prefer to wait to have the permanent fix in conjunction with the new Growth and Infrastructure Policy. We need to look hard at the new generation rates of high rise buildings because more families are looking at this option. The impact has also increased due to multiple inflationary pressures. Beyond supply and the post Covid economy, using prevailing wages increased costs. Those costs are more than recovered by MCPS qualifying for more state dollars, but the overall cost going up affects the impact tax charged. This means that the opportunity zones whose impacts are completely exempted are costing the county even more as students are generated from those developments.

We need to wait for the Planning Board to do the detailed job of analyzing the market and to calculate how our overall plan to concentrate growth in denser neighborhoods affect schools and how we pay for the resulting costs. There is a direct conflict between paying for new seats and housing affordability. The MCCPTA CIP committee is looking forward to working with the Planning Board and the County Council in the discussions over the next year as to how we can balance conflicting pressures. Remember that new impact tax laws could be implemented as soon as February 2025, 1.5 years from now. Let's fix the near term problem with a 25% cap, but fix the long term problem with a hard look at how we pay for the infrastructure that Montgomery County needs in order to attract businesses, the workers they need and their families. Current residents will see the benefit if we deliver the spaces we all need to thrive.

Laura Stewart
MCCPTA CIP Committee Chair