

RESOLUTION 2012-16

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF FROSTBURG APPROVING A RESIDENTIAL SPRINKLER SYSTEM INCENTIVE PROGRAM

WHEREAS: The Maryland General Assembly has mandated that all new construction of one and two unit residential project must include a sprinkler system, beginning October 1, 2012; and

WHEREAS: The City has amended its Building Codes by Ordinance to include that mandate as of July 1, 2012; and

WHEREAS: The Mayor and City Council desire to provide an Incentive Program to ease the financial burden of this new requirement.

NOW, THEREFORE BE IT RESOLVED that the Frostburg Mayor & City Council do hereby approve a Residential Sprinkler System Incentive Program, a copy of which is attached hereto and made a part hereof this Resolution.

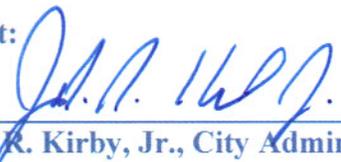
Adopted this 17th day of May 2012

MAYOR AND CITY COUNCIL OF FROSTBURG

BY 

W. Robert Flanigan, Mayor

Attest:



John R. Kirby, Jr., City Administrator

Residential Sprinkler System Incentive Program 2012

Purpose

The City of Frostburg has not historically required sprinkler systems in new construction of one and two-unit residential projects. Acts of the Maryland General Assembly will end the City's ability to choose to include this requirement in future amendments to the City's Building Codes. At the same time, the Mayor and City Council have a desire to see the City attract as many new construction projects for one and two unit residential projects as is possible.

Towards that end, the Mayor and City Council intend to provide an incentive to attract new construction by providing rebates of certain utility fees and reductions of portions of the City real estate tax to those developers or builders or homeowners of new one and two unit residential projects.

The Incentives

Utility Connection Fees – The City will reimburse to the owner of any new construction one and two residential unit projects \$1,000 of the "Water Connection" Fee. In Fiscal Year 2011-12 the Fee for a standard ¾ inch connection was \$1,500 and the Fee for an upgraded 1 inch connection was \$1,800. This fee does not include the price of the meter, which is an additional charge.

Upon completion of the project and verification that the residential sprinkler system has been installed and tested, the City will issue a reimbursement for \$1,000 to the homeowner, builder or developer depending on who is responsible for the City Utility Bills.

Real Estate Tax Reduction – The City will reduce the Real Estate Tax Bills for a period of not more than three (3) years for a new construction one and two unit residential project, pending the verification that a residential sprinkler system has been installed during the construction and tested. The calculation of the reduction will be based on the following:

1. The amount of the reduction for a new construction project built upon a vacant lot will be equal to 80% of the increase in the property's new assessed value minus the assessed value of the land alone. In this manner the City will still receive the taxes for the value of the land and for 20% of the new construction. Example: Lot Value \$25,000. New Home Value \$200,000. Total Value of the New Project \$225,000. Reduced City Tax Value **\$65,000**. Full City Tax Bill at \$.5665 per \$100 = \$1,274.63. Reduced City Tax Bill at \$.5665 per \$100 = **\$368.23**.
2. If the project is built on a site that requires the demolition of an existing building or buildings, the reduction will be calculated based on the value of the Land, as listed by the Department of Assessment and Taxation. The calculation would then proceed in the same manner as if it were built on a vacant lot, as shown in No. 1.

Other Program Elements

1. This Residential Sprinkler Incentive Program will be suspended five (5) years from the dates of its approval, unless action is taken by a majority of the Mayor and City Council to extend it.
2. All real estate values shall be those set by the Maryland Department of Assessments and Taxation.
3. City Tax Rates may vary year to year. Actual tax bills will be calculated based on the approved tax rate for the year in question.
4. The City reserves the right to terminate any Incentive for a homeowner that does not maintain the sprinkler system in working order, per the State Code.
5. The submission of any false documents or other materials by a homeowner shall terminate the consideration of any incentives for that property. If the City discovers that false documents have been submitted after the Water Connection Fee reimbursement has been paid, the homeowner shall be invoiced for the reimbursement. Failure to repay may result in the termination of the water service.