

Expedited Bill No. 4-09
Concerning: Development Impact Tax
Deferral
Revised: 2-9-09 Draft No. 2
Introduced: February 10, 2009
Expires: August 10, 2010
Enacted: _____
Executive: _____
Sunset: April 1, 2010
Effective: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) authorize the deferral of certain development impact tax payments for a certain period;
and
- (2) generally amend the law regarding payment of impact taxes.

By adding

Montgomery County Code
Chapter 52, Taxation
Section 52-51A

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 52-51A is added as follows:**

2 **52-51A. Deferral of payments.**

3 (a) Definitions. In this Section, the following words have the meanings
4 indicated:

5 (1) Department means the Department of Permitting Services.

6 (2) Director means the Director of the Department of Permitting
7 Services.

8 (3) Impact tax or tax means the Taxes imposed under this Article and
9 Article XII.

10 (4) Owner means a person who has a legal record title interest in real
11 property, including a creditor with a recorded lien on the
12 property, on which taxable development is proposed.

13 (b) Authorization to defer. An owner may defer payment of all impact
14 tax due, if the requirements of this Section are met, for 12 months
15 after a building permit is issued.

16 (c) Conditions of deferral.

17 (1) An owner must apply for deferral of the impact tax to the
18 Director on a form supplied by the Department.

19 (2) As part of the application, the owner must execute a written
20 agreement with the Director. The agreement must confirm that
21 the owner consents to all terms and conditions of the deferral,
22 including collection of the deferred impact tax through the tax
23 sale process and recordation of the agreement or notice of the
24 agreement in the County land records.

25 (3) The Director must record the agreement or notice of the
26 agreement in the County land records. The notice must include a

27 conspicuous statement that indicates it is being recorded by or on
28 behalf of the County.

29 (d) Events accelerating payment. All deferred impact taxes and
30 accumulated interest and penalty, if any, become immediately payable
31 when:

32 (1) the ownership of the property which is subject to a lien for
33 repayment of the impact taxes is transferred; or

34 (2) the property becomes subject to tax sale.

35 (e) Payment; early payment; termination of lien.

36 (1) An owner must pay all deferred impact taxes on or before the end
37 of the deferral period.

38 (2) After the owner pays the deferred impact tax and any accrued
39 interest and penalty, the Director must record a notice of
40 termination of the tax deferral lien in the County land records.

41 The notice must include a conspicuous statement that indicates it
42 is being recorded by or on behalf of the County.

43 (f) Interest and penalty for delinquent taxes. Impact taxes paid after the 12
44 month deferral period expires accrue interest and penalty on the amount
45 of the deferred taxes until paid at the rate which applies to delinquent
46 real property taxes.

47 (g) Lien on real property and collection. All taxes deferred and any
48 accrued interest and penalty constitute a first lien on the real property
49 to which the taxes apply until paid and must be enforced as provided
50 in Section 52-50(j). Except for a creditor which holds a lien on the
51 property, the deferred taxes constitute a personal liability of the owner
52 of the property.

75 *This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council

Date

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