

Expedited Bill No. 37-14  
Concerning: Real Property Transfer Tax  
- Exemption - Enterprise Zones  
Revised: 9-24-14 Draft No. 4  
Introduced: July 15, 2014  
Enacted: September 30, 2014  
Executive: October 6, 2014  
Effective: October 6, 2014  
Sunset Date: None  
Ch. 29, Laws of Mont. Co. 2014

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Councilmembers Navarro, Floreen, and Riemer,  
Council President Rice, and Councilmember Berliner

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**AN EXPEDITED ACT to:**

- (1) exempt from a certain provision of the real property transfer tax certain transfers of rezoned property located in an enterprise zone;
- (2) repeal archaic and obsolete language and references, and make conforming and stylistic changes; and
- (3) generally amend County law regarding the real property transfer tax.

By amending

Montgomery County Code  
Chapter 52, Taxation  
Article II, Real Property Transfer Tax  
Section 52-21

<b>Boldface</b>	<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:*



28 mean] as used in this subsection means a classification, reclassification,  
29 or change in zone which permits a greater number of dwelling units per  
30 acre in any residential zone, or which permits a greater number of  
31 permitted uses regardless of area or allows more floor area in a  
32 commercial, ~~[[zone]]~~ commercial/residential, employment, or industrial  
33 zone, or is from any residential zone to any commercial,  
34 commercial/residential, employment, or industrial zone, or is from any  
35 industrial zone to any commercial, commercial/residential, or  
36 employment, zone.

37 "Rezoned to a more intensive use" [shall] does not include:

- 38 (1) A zoning from a residential zone to a ~~[[Planned Unit~~  
39 ~~Development Zone]]~~ [under division 59-C-7 granted after  
40 January 1, 1980], residential floating zone if the approved  
41 ~~[[development]]~~ floating zone plan, including any amendments to  
42 the plan, does not increase the total number of permitted dwelling  
43 units and does not permit commercial or industrial uses,  
44 [provided however, that] but the transfer [shall] must be subject  
45 to [additional] any tax otherwise due under this subsection if at  
46 any time an amendment to the ~~[[development]]~~ floating zone plan  
47 increases the total number of permitted dwelling units or permits  
48 commercial or industrial uses;
- 49 (2) A zoning from a residential zone to a commercial,  
50 commercial/residential, or employment, zone within one ~~[(1)]~~  
51 year after the property was down zoned from a ~~[[commercial]]~~  
52 zone of equal or greater intensity to a residential zone by  
53 sectional map amendment; [or]

54 (3) A rezoning from an industrial zone to a commercial,  
55 commercial/residential, or employment, zone which:

56 (i) Is necessitated by a previously adopted amendment to [the  
57 zoning ordinance text,] Chapter 59 that was not [upon  
58 application or at the instance of] requested by the  
59 transferor, transferee, owner, or former owner of the real  
60 property, or by any person who has or has previously had  
61 an interest of any kind in the property, including a  
62 contractual interest; and

63 (ii) Allows establishment or continuance of a use or uses  
64 which were permitted uses on the property under the  
65 industrial zone immediately [prior to] before the text  
66 amendment, to which use or uses the property was  
67 restricted by bona fide covenants recorded among the land  
68 records [prior to] before July 1, 1971, and which covenants  
69 are in effect at the time of a transfer; or

70 (4) a rezoning of any property that is located in an enterprise zone  
71 when the property is transferred.

72 [The tax levied and imposed in this subsection shall not apply to  
73 transfers which are made pursuant to a bona fide written contract or  
74 agreement of sale entered into prior to July 1, 1971; provided, that the  
75 director of finance may require satisfactory proof that the contract or  
76 agreement was entered into prior to such date. There shall be deducted  
77 from the consideration as defined in section 59-19 the] The taxpayer  
78 may deduct from the consideration on which the tax is based any cost  
79 [or expense] actually incurred by the transferor for public  
80 improvements, such as sewer, water, roads, sidewalks, storm drainage

81 structures, and permanent soil erosion and sediment control measures,  
 82 [subject to the submission to the director of finance of] if the taxpayer  
 83 submits satisfactory proof of [such] costs [or expenses] documented by  
 84 certificates from public agencies where applicable[; provided, that], but  
 85 the rate of [such] the tax on a single transfer [shall] must not exceed [six  
 86 (6)] 6 percent of the bona fide market value consideration for the  
 87 transfer. [Where] If a transfer is subject both to the tax imposed by this  
 88 subsection and the tax imposed by subsection (d), the tax imposed by  
 89 this subsection [shall] must be the only tax imposed on the transfer.  
 90 Any tax collected under this subsection [shall] must be collected only  
 91 once on the first taxable transaction after each rezoning to a more  
 92 intensive use, and [all transfers] any transfer that does not [subsequent  
 93 to] follow a rezoning to a more intensive use [shall] must be [taxable]  
 94 taxed at the rates applicable under other subsections of this section. The  
 95 [county executive] Executive may [from time to time] issue [written]  
 96 regulations under method (3) [of section 2A-15 of this Code, pertaining  
 97 to] regarding the collection of the tax levied in this subsection.

98  
 99 \* \* \*

100  
 101 **Sec. 2. Expedited Effective Date.** The Council declares that this  
 102 legislation is necessary for the immediate protection of the public interest. This Act  
 103 takes effect on the date when it becomes law.

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105 *Approved:*

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Craig L. Rice, President, County Council

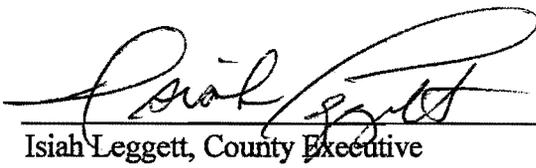
10/2/2014

Date

108 *Approved:*

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Isiah Leggett, County Executive

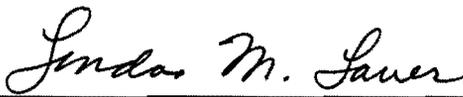
oct 6, 2014

Date

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

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Linda M. Lauer, Clerk of the Council

10/8/2014

Date