Bill No. 62-14
Concerning: Taxation – Development Impact Taxes – Exemptions – Ancillary Facilities
Revised: 1-30-15 Draft No. 2
Introduced: November 25, 2014
Enacted: February 3, 2015
Executive: _____
Effective: October 30, 2014
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President Rice, Council Vice President Leventhal, and Councilmembers Floreen, Katz, Riemer, and Navarro

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AN ACT to:

(1) exempt from development and school impact taxes certain ancillary facilities in certain residential developments; and

(2) generally amend the law governing impact taxes.

By amending
Montgomery County Code
Chapter 52, Taxation
Sections 52-47, 52-49, 52-57, and 52-89

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

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

Sec. 1. Sections 52-47, 52-49, 52-57, and 52-89 are amended as follows:

52-47. Definitions.

In this Article the following terms have the following meanings:

* * *

Charitable, philanthropic institution means a private, tax-exempt organization whose primary function is to provide services, research, or educational activities in areas such as health, social service, recreation, or environmental conservation.

Cultural institution means any privately-owned or –operated structure and land where works of art or other objects are kept and displayed, or where books, periodicals, and other reading material are offered for reading, viewing, listening, study, or reference, but not typically offered for sale. Cultural institution includes a museum, cultural or art exhibit, and library.

* * *

[[Social service provider means a locally-based, federally tax-exempt nonprofit direct provider of social services whose primary service area is Montgomery County.]]

52-49. Imposition and applicability of development impact taxes.

* * *

(h) The development impact tax does not apply to:

(1) any reconstruction or alteration of an existing building or part of a building that does not increase the gross floor area of the building;

(2) any ancillary building in a residential development that:

(A) does not increase the number of dwelling units in that development; and

(B) is used only by residents of that development and their guests, and is not open to the public; and

[(2)] (3) any building that replaces an existing building on the same site or in the same project (as approved by the Planning Board or the equivalent body in Rockville or Gaithersburg) to the extent of the gross floor area of the previous building, if:

(A) construction begins within one year after demolition or destruction of the previous building was substantially completed; or

(B) the previous building is demolished or destroyed, after the replacement building is built, by a date specified in a phasing plan approved by the Planning Board or equivalent body.

However, if in either case the development impact tax that would be due on the new, reconstructed, or altered building is greater than the tax that would have been due on the previous building if it were taxed at the same time, the applicant must pay the difference between those amounts.

52-57. Tax rates.

(a) The tax rates for each impact tax district, except as provided in subsection (b) are:

* * *

Cultural institution	0.20	0.50	0.40
Charitable, philanthropic institution	0	0	0

* * *

52-89. Imposition and applicability of tax.

* * *

(d) The tax under this Article does not apply to:

(1) any reconstruction or alteration of an existing building or part of

55 a building that does not increase the number of dwelling units of
56 the building;
57 (2) any ancillary building in a residential development that:
58 (A) does not increase the number of dwelling units in that
59 development; and
60 (B) is used only by residents of that development and their
61 guests, and is not open to the public; and
62 [(2)] (3) any building that replaces an existing building on the same site
63 or in the same project (as approved by the Planning Board or the
64 equivalent body in Rockville or Gaithersburg) to the extent of the
65 number of dwelling units of the previous building, if:
66 (A) construction begins within one year after demolition or
67 destruction of the previous building was substantially
68 completed; or
69 (B) the previous building is demolished or destroyed, after the
70 replacement building is built, by a date specified in a
71 phasing plan approved by the Planning Board or
72 equivalent body.
73 However, if in either case the tax that would be due on the new,
74 reconstructed, or altered building is greater than the tax that
75 would have been due on the previous building if it were taxed at
76 the same time, the applicant must pay the difference between
77 those amounts.
78 * * *
79 Sec. 2. This Act takes effect as of October 30, 2014.

80 *Approved:*

81 George Leventhal 2/5/2015

George Leventhal, President, County Council — Date

82 *Approved:*

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Isiah Leggett, County Executive — Date

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

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Linda M. Lauer, Clerk of the Council — Date