

Bill No. 8-15
Concerning: Taxation - Development
Impact Tax - Exemptions
Revised: 6-25-15 Draft No. 2
Introduced: February 3, 2015
Enacted: July 14, 2015
Executive: July 23, 2015
Effective: October 22, 2015
Sunset Date: None
Ch. 37, Laws of Mont. Co. 2015

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council Vice-President Floreen;
Co-Sponsors Councilmembers Riemer, Rice, Katz and Navarro

AN ACT to:

- (1) exempt certain housing units from certain development impact taxes; and
- (2) generally amend the law governing development impact taxes.

By amending

Montgomery County Code
Chapter 52, Taxation
Sections 52-49 and 52-89

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:

Section 1. Sections 52-49 and 52-89 are amended as follows:

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

* * *

(g) A development impact tax must not be imposed on:

(1) any Moderately Priced Dwelling Unit built under Chapter 25A or any similar program enacted by either Gaithersburg or Rockville;

(2) any other dwelling unit built under a government regulation or binding agreement that limits for at least 15 years the price or rent charged for the unit in order to make the unit affordable to households earning less than 60% of the area median income, adjusted for family size;

(3) any Personal Living Quarters unit built under Sec. 59-A-6.15, which meets the price or rent eligibility standards for a moderately priced dwelling unit under Chapter 25A;

(4) any dwelling unit in an Opportunity Housing Project built under Sections 56-28 through 56-32, which meets the price or rent eligibility standards for a moderately priced dwelling unit under Chapter 25A;

(5) any non-exempt [[rental]] dwelling unit in a development in which at least 25% of the dwelling units are exempt under paragraph (1), (2), (3), or (4), or any combination of them [[, if:

(A) the development is not located on publicly-owned land or land that was publicly-owned when the development was proposed; and]]

[(B) the development has not received other benefits under Chapter 59 because the development includes more than the minimum required affordable housing]]]; and

28 [(5)] (6) any development located in an enterprise zone designated by
29 the State or in an area previously designated as an enterprise
30 zone.

31 * * *

32 **52-89. Imposition and applicability of tax.**

33 * * *

34 (c) The tax under this Article must not be imposed on:

35 (1) any Moderately Priced Dwelling Unit built under Chapter 25A
36 or any similar program enacted by either Gaithersburg or
37 Rockville;

38 (2) any other dwelling unit built under a government regulation or
39 binding agreement that limits for at least 15 years the price or
40 rent charged for the unit in order to make the unit affordable to
41 households earning less than 60% of the area median income,
42 adjusted for family size;

43 (3) any Personal Living Quarters unit built under Sec. 59-A-6.15,
44 which meets the price or rent eligibility standards for a
45 moderately priced dwelling unit under Chapter 25A;

46 (4) any dwelling unit in an Opportunity Housing Project built under
47 Sections 56-28 through 56-32, which meets the price or rent
48 eligibility standards for a moderately priced dwelling unit under
49 Chapter 25A;

50 (5) any non-exempt [[rental]] dwelling unit in a development in
51 which at least 25% of the dwelling units are exempt under
52 paragraph (1), (2), (3), or (4), or any combination of them [, if:

53 (A) the development is not located on publicly-owned land or
54 land that was publicly-owned when the development was

55 proposed; and]]
 56 [[B) the development has not received other benefits under
 57 Chapter 59 because the development includes more than
 58 the minimum required affordable housing]]]; and
 59 [(5)] (6) any development located in an enterprise zone designated by
 60 the State or in an area previously designated as an enterprise
 61 zone.

62 * * *

63 **Section 2. Applicability.** County Code Section 52-49(g)(5) and Section 52-
 64 89(c)(5), both inserted by Section 1 of this Act, do not apply to any development
 65 which received preliminary subdivision plan approval or site plan approval (or a
 66 similar approval in a municipality) before this Act took effect.

67 **Section 3. Reporting.** When a development proposes at least 25 percent
 68 affordable dwelling units under Section 52-49(c)5 and Section 52-89(c)5, the
 69 Department of Housing and Community Affairs must report to the Council the
 70 location of the development, the total number of units in the development, and the
 71 number of affordable units within 30 days from the date of the agreement to build
 72 MPDUs. If a development with 25 percent of affordable dwelling units does not
 73 obtain an agreement to build MPDUs with the Department of Housing and
 74 Community Affairs, then the Department of Permitting Services must report to the
 75 Council the use of any impact tax exemption under Section 52-49(c)5 and Section
 76 52-89(c)5 within 30 days from the date the exemption is granted.

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79 *Approved:*

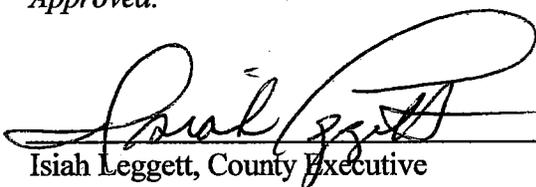
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7/16/15

George Leventhal, President, County Council

Date

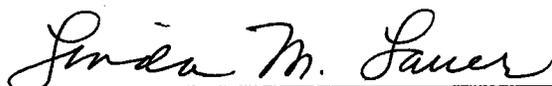
81 *Approved:*

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Isiah Leggett, County Executive

July 23, 2015

Date

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

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Linda M. Lauer, Clerk of the Council

July 24, 2015

Date