



Committee: Directly to Council
Committee Review: N/A
Staff: Carlos Camacho, Legislative Analyst
Purpose: To introduce agenda item – no vote expected
Keywords: #BID

AGENDA ITEM #10
September 28, 2021
Introduction

SUBJECT

Resolution to Support Changes to State Legislation Enabling the Creation of Business Improvement Districts (BIDs) in Montgomery County. Lead Sponsor: Councilmember Glass; Co-Sponsors: Councilmembers Hucker, Albornoz, Navarro, Riemer, Rice, Katz, Friedson.

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

None

DESCRIPTION/ISSUE

The County Council will introduce a resolution stating their support for changes to state enabling legislation - MD Econ Dev Code § 12-601 through § 12-612 - that would assist in the establishment of future BIDs in Montgomery County that further advances the County's adopted racial equity and social justice law and economic development strategy.

SUMMARY OF KEY DISCUSSION POINTS

- On January 12, 2021, the County Council introduced Bill 3-21 - Special Taxing Area Laws – Silver Spring Business Improvement District – Established after a group of commercial property owners in Silver Spring signed petitions and submitted an application to establish a BID within the current boundaries of the Silver Spring Urban District.
- On February 23, 2021, the County Council held a public hearing on Bill 3-21.
- Three Joint PHED/GO Committee worksessions were held – one on March 25, 2021, one on July 15, 2021 and a final worksession on July 26, 2021. At each worksession the Committee expressed their intention to secure the jobs of the County employees that provide clean, safe, and ambassadorship services in the Silver Spring Urban District (SSUD). As a result, the Council chose not to eliminate the Urban District and instead allow the proposed BID to operate in concert with the Urban District to provide marketing and promotions services to properties and businesses within the BID/Urban District Boundaries. The Joint Committee also amended the bill to:
 - make the BID boundaries consistent with the SSUD;
 - eliminate authority to provide the BID with parking lot district revenue;

- alter the composition of the Board of Directors to strive for the inclusion of both large and small businesses;
 - made the technical amendment suggested by the County Attorney to reflect the change in the Charter 305 limit on property tax revenue; and
 - included language to prohibit both a tenant and an owner of the same property from being on the Board of Directors at the same time.
- The Council enacted Bill 3-21 on July 27, 2021 with additional amendments. The Council amended the Bill to require the Board to include both large and small business owners, but as required by the State enabling law, the Board would be elected by the non-exempt property owners in the District who pay the BID tax. The Bill would require the 9-member Board to include:
 - 3 representatives of an owner of property in the District assessed at more than \$20 million;
 - 2 representatives of an owner of property in the District assessed at \$20 million or less;
 - 1 representative of a business employing more than 50 full-time equivalent employees in the District; and
 - 3 representatives of a business employing 50 or less full-time equivalent employees in the District.
 - On September 13, 2021, state legislators representing District 20 in Montgomery County transmitted a letter to Councilmembers indicating an intent to introduce a Bill in the General Assembly to amend the State enabling act to increase equity and inclusiveness of the BID and urging the Council to support such changes.
 - The County Executive vetoed Bill 3-21 on August 9, 2021
 - The Council will consider overriding the County Executive's veto and re-enacting Bill 3-21 on September 28, 2021.

This report contains:

Draft Resolution

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Resolution No.: _____
Introduced: September 28, 2021
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Councilmember Glass
Co-Sponsors: Councilmembers Hucker, Albornoz, Navarro,
Riemer, Rice, Katz, Friedson

SUBJECT: Resolution to Support Changes to State Legislation Enabling the Creation of Business Improvement Districts (BIDs) in Montgomery County

Background

1. On January 12, 2021, the County Council introduced Bill 3-21 - Special Taxing Area Laws – Silver Spring Business Improvement District – Established after a group of commercial property owners in Silver Spring signed petitions and submitted an application to establish a BID within the current boundaries of the Silver Spring Urban District.
2. On February 23, 2021, the County Council held a public hearing on Bill 3-21.
3. Three Joint PHED/GO Committee worksessions were held – one on March 25, 2021, one on July 15, 2021 and a final worksession on July 26, 2021. At each worksession the Committee expressed their intention to secure the jobs of the County employees that provide clean, safe, and ambassadorship services in the Silver Spring Urban District (SSUD). As a result, the Council chose not to eliminate the Urban District and instead allow the proposed BID to operate in concert with the Urban District to provide marketing and promotions services to properties and businesses within the BID/Urban District Boundaries. The Joint Committee also amended the bill to:
 - make the BID boundaries consistent with the SSUD;
 - eliminate authority to provide the BID with parking lot district revenue;
 - alter the composition of the Board of Directors to ensure inclusion of both large and small businesses;
 - made the technical amendment suggested by the County Attorney to reflect the change in the Charter 305 limit on property tax revenue; and
 - included language to prohibit both a tenant and an owner of the same property from being on the Board of Directors at the same time.

4. The Council enacted Bill 3-21 on July 27, 2021 with additional amendments. The Council amended the Bill to require the Board to include both large and small business owners, but as required by the State enabling law, the Board would be elected by the non-exempt property owners in the District who pay the BID tax. The Bill would require the 9-member Board to include:
 - 3 representatives of an owner of property in the District assessed at more than \$20 million;
 - 2 representatives of an owner of property in the District assessed at \$20 million or less;
 - 1 representative of a business employing more than 50 full-time equivalent employees in the District; and
 - 3 representatives of a business employing 50 or less full-time equivalent employees in the District.
5. On September 13, 2021, State Legislators representing District 20 in Montgomery County transmitted a letter to Councilmembers indicating an intent to introduce a Bill in the General Assembly to amend the State enabling act to increase equity and inclusiveness of the BID and urging the Council to support such changes.

Action

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

The County Council supports, in concept, amendments to MD Econ Dev Code § 12-601 through § 12-612 that would assist the establishment of BIDs in Montgomery County that further advances the County's adopted racial equity and social justice law and economic development strategy.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council