## MEMORANDUM

October 27, 2017

TO:

County Council,

FROM:

Jeffry L. Zyont, Senior Legislative Analyst

SUBJECT:

Introduction: Expedited Bill 36-17, Taxation - Development Impact Tax -

Exemptions - Amendments

Expedited Bill 36-17, Taxation – Development Impact Tax – Exemptions - Amendments, sponsored by Lead Sponsor Councilmember Floreen, is scheduled to be introduced on October 31. A public hearing is tentatively scheduled for December 5 at 1:30 p.m.

The primary goal of Bill 36-17 is reducing the tax burden on projects that provide at least 25% affordable housing. The Bill would allow a development that increases the number of dwelling units previously approved to take advantage of the development tax exemption for projects with 25% affordable housing. As proposed, a development that provides 25% affordable units in newly proposed development would qualify for the exemption to the extent of the new units.

This packet contains:	<u>Circle #</u>
Expedited Bill 36-17	1
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Expedited Bill No36-17
Concerning: Taxation - Development
Impact Tax - Exemptions -
Amendments
Revised: October 27, 2017 Draft No. 4
Introduced: October 31, 2017
Expires: May 1, 2019
Enacted: [date]
Executive: [date signed]
Effective: [date takes effect]
Sunset Date: None
Ch [#] Laws of Mont Co [year]

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Floreen

## **AN EXPEDITED ACT** to:

(1) amend the applicability provision of certain development impact taxes; and

(2) generally amend the law governing development impact taxes.

By amending

2015 Laws of Montgomery County, Chapter 37

Boldface Underlining [Single boldface brackets] Double underlining [[Double boldface brackets]] * * *	Heading or defined term.  Added to existing law by original bill.  Deleted from existing law by original bill.  Added by amendment.  Deleted from existing law or the bill by amendment.  Existing law unaffected by bill.
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The County Council for Montgomery County, Maryland approves the following Act:

Sec.	. Section 2 of Chapter 37 of the 2015 Laws of Montgomery County
is amended	as follows:
Sec.	. Applicability.
<u>(a)</u>	Except as provided in paragraph (b), County Code Section 52-49(g)(5)
	and Section 52-89(c)(5), both inserted by Section 1 of this Act, do not
	apply to any development which received preliminary subdivision plan
	approval or site plan approval (or a similar approval in a municipality)
	before this Act took effect.
<u>(b)</u>	If an approved development is amended to include additional dwelling
	units and at least 25% of the additional dwelling units are exempt under
	paragraph (1), (2), (3), or (4) of Section 52-89(c), or any combination of
	them, then Section 52-49(g)(5) and Section 52-89(c)(5), apply to the
	additional units.
Sec.	2. Expedited Effective Date.
The	Council declares that this legislation is necessary for the immediate
protection	f the public interest. This Act takes effect on the date on which it becomes
law.	
Approved:	
Roger Berlin	er, President, County Council Date
Approved:	
Isiah Legge	County Executive Date

## LEGISLATIVE REQUEST REPORT

Expedited Bill 36-17

Taxation - Development Impact Tax - Exemptions Applicability

**DESCRIPTION:** 

Expedited Bill 36-17 would reduce the tax burden on previously approved projects that provide additional dwelling units with at least 25% affordable housing in the addition. The reduced tax burden would

only apply to the additional units.

PROBLEM:

The current applicability provision for an impact tax exemption in current law does not allow a development that increases the number of dwelling units previously approved to take advantage of the development tax exemption for projects with 25% affordable housing.

**GOALS AND OBJECTIVES:**  The primary goal of Bill 36-17 is to encourage the provision of affordable housing units beyond the percentage required by law. The objective is to reduce impact taxes on projects providing a significant percentage of affordable dwelling units.

**COORDINATION:** 

County Attorney's Office

**FISCAL IMPACT:** 

To be requested.

**ECONOMIC IMPACT:** 

To be requested.

**EVALUATION:** 

To be requested.

**EXPERIENCE ELSEWHERE:**  To be researched.

**SOURCE OF** 

**INFORMATION:** 

Jeff Zyontz, Senior Legislative Analyst, 240-777-7896

APPLICATION

WITHIN

**MUNICIPALITIES:** 

To be researched.

PENALTIES:

None.