

Committee: Directly to Council Committee Review: N/A Staff: Robert H. Drummer, Senior Legislative Attorney Purpose: To receive testimony – no vote expected Keywords: #Transportation&SchoolImprovements

## SUBJECT

Expedited Bill 2-21, Taxation – Development Impact Taxes for Transportation and Public School Improvements - Amendments – Effective Date

Lead Sponsor: County Council

#### **EXPECTED ATTENDEES**

None

## **COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION**

• Public Hearing – no vote expected

## **DESCRIPTION/ISSUE**

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- . .

Bill 2-21 would change the effective date of Chapter 37, Laws of Montgomery County 2020 (Bill 38-20).

### SUMMARY OF KEY DISCUSSION POINTS

Should the effective date for Bill 38-20 be made consistent with the previously adopted impact tax and Utilization Premium Payment rates.

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3
4

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Agenda Item 10 January 19, 2021 Public Hearing

#### M E M O R A N D U M

January 14, 2021

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Expedited Bill 2-21, Taxation - Development Impact Taxes for Transportation and Public School Improvements - Amendments - Effective Date

PURPOSE: Public Hearing – No Council vote required

Expedited Bill 2-21, Taxation - Development Impact Taxes for Transportation and Public School Improvements - Amendments - Effective Date, sponsored by Lead Sponsor, County Council, was introduced on January 12, 2021. Action is tentatively scheduled for February 2, 2021.<sup>1</sup>

Bill 38-20, Taxation - Development Impact Taxes for Transportation and Public School Improvements – Amendment was enacted with an effective date of February 26, 2021. The revised impact tax rates and the rates for the new Utilization Premium Payment tax were all set to take effect on February 26 as well. However, the Executive vetoed the Bill. Therefore, the Bill did not take effect until the Council overrode the Executive's veto on December 8. Due to the Executive's veto and the Council enactment over the veto, the Bill is now set to take effect 91 days after December 8, or March 9. Under Charter Section 112, a non-expedited bill takes effect 91 days after it becomes law.

Bill 38-20 was enacted as part of the Council's approval of the Subdivision Staging Policy (Growth and Infrastructure Policy). Bill 3-21 would change the effective date of Chapter 37, Laws of Montgomery County 2020 (Bill 38-20) back to February 26, 2021, consistent with the Council's intent. If Bill 2-21 is enacted, the effective date for Bill 38-20 would then become consistent with the effective date for the Utilization Premium Payment tax rates and the revised impact tax rates adopted along with the Subdivision Staging Policy (Growth and Infrastructure Policy) in November.

This packet contains:	Circle #
Expedited Bill 2-21	1
Legislative Request Report	3
Final Re-enacted Bill 38-20	4

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<sup>&</sup>lt;sup>1</sup>#Transportation&SchoolImprovements

Expedited Bill No.	2-21
Concerning: Taxation	<ul> <li>Development</li> </ul>
Impact Taxes for	Transportation and
Public School	Improvements -
Amendments – Eff	fective Date
Revised: <u>12-9-20</u>	Draft No1
Introduced: Januar	y 12, 2021
Expires: July 12	
Enacted:	
Executive:	
Effective:	
Sunset Date: None	
Ch, Laws of Mo	ont. Co.

# COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: County Council

### AN EXPEDITED ACT to:

Change the effective date of Chapter 37, Laws of Montgomery County 2020

By amending

Chapter 37, Laws of Montgomery County 2020

Boldface <u>Underlining</u> [Single boldface brackets] <u>Double underlining</u> [[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.

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

1	Sec. 1. Chapter 37, Laws of Mont. Co. 2020 is amended as follows:	
2	Sec. 2. Effective date -Transition.	
3	This Act takes effect on [March 9, 2021] February 26, 2021. The amendm	ients
4	in Section 1 must apply to:	
5	(1) any application for a building permit filed on or after February	<i>2</i> 6,
6	2021; except for	
7	(2) any dwelling unit in a development for which a preliminary	plan
8	application is filed prior to February 26, 2021 that includes 2	25%
9	affordable units as defined in Sections 52-41(g)(1) through 52-41(g	g)(4)
10	or 52-54(d)(1) through 52-54(d)(4); or	
11	(3) any development in a former Enterprise Zone for which a prelimit	nary
12	plan application is filed and accepted before January 1, 2021.	
13	Sec. 2. Expedited Effective Date.	
14	The Council declares that this legislation is necessary for the immed	diate
15	protection of the public interest. This Act takes effect on the date on which it becc	mes
16	law.	
17	Approved:	
10		
18	Tom Hucker, President, County Council Date	
19	Approved:	
20		
	Marc Elrich, County Executive Date	
21	This is a correct copy of Council action.	
22		
	Selena Mendy Singleton, Esq., Clerk of the Council Date	
	$\left(\begin{array}{c}2\end{array}\right)$	
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# LEGISLATIVE REQUEST REPORT

Expedited Bill 2-21 Taxation – Development Impact Taxes for Transportation and Public School Improvements - Amendments – Effective Date

<b>DESCRIPTION:</b>	Bill 2-21 would change the effective date of Chapter 37, Laws of Montgomery County 2020.
PROBLEM:	When the Council overrode the Executive's veto of Bill 38-20, the effective date for the law was pushed back to March 9, 2021.
GOALS AND OBJECTIVES:	Change the effective date of Bill 38-20 back to February 26, 2021.
<b>COORDINATION:</b>	
FISCAL IMPACT:	To be provided
ECONOMIC IMPACT:	To be provided
<b>EVALUATION:</b>	To be provided
EXPERIENCE ELSEWHERE:	To be researched
SOURCE OF INFORMATION:	Robert H. Drummer, Senior Legislative Attorney
APPLICATION WITHIN MUNICIPALITIES:	N/A
PENALTIES:	N/A

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38-2	20		
Taxation	-	Developm	<u>nent</u>
axes for	Trans	portation	and
School	Impro	ovements	
nents			
2/08/2020	<u>)</u> [	Draft No.	13
July 29	), 2020	0	
Novem	ber 1	6, 2020	
etoed: No	ovemb	er 30, 202	20
after Veto:	Dece	mber 8, 2	020
March	9, 202	21	
None			
aws of Mo	ont. C	o. 2020	)
	Taxation axes for School nents 2/08/2020 July 29 Novem detoed: No after Veto: March None	axes for Trans         School       Improvembre         2/08/2020       Improvembre         July 29, 2020       Improvembre         Vovember 1       Improvembre         Yetoed: Novembre       Improvembre         After Veto:       Decembre         March 9, 2020       Improvembre	Taxation - Developm axes for Transportation - School Improvements ents 2/08/2020 Draft No. July 29, 2020 November 16, 2020 (etoed: November 30, 202 after Veto: December 8, 2 March 9, 2021

# COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the request of the Planning Board

### AN ACT to:

- (1) update transportation and school impact tax districts;
- (2) establish impact tax rates by school impact tax districts;
- (3) eliminate the school impact tax premium on certain types of dwelling units;
- (4) modify the applicability of development impact tax exemptions for certain uses and in certain locations; [[and]]
- (5) <u>establish a Utilization Premium Payment for certain developments to reduce school</u> <u>overcapacity; [[and]]</u>
- (6) define an agricultural facility;
- (7) provide a discount on certain impact tax rates for certain types of developments and for developments in certain areas; and
- (8) generally amend the law governing transportation and school development impact taxes.

By amending

Montgomery County Code Chapter 52, Taxation Sections <u>52-39</u>, 52-41, 52-49, <u>52-50</u>, <u>52-52</u>, 52-54, 52-55, [[and]] 52-58, and <u>52-59</u>

Boldface	Heading or defined term.
<u>Underlining</u>	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:

1	Sec. 1. Sections <u>52-39</u> , 52-41, 52-49, <u>52-50, 52-52,</u> 52-54, 52-55 <u>,</u> [[and]] 52-			
2	58 <u>, and 52-59</u> are amended as follows:			
3	52-39. Definitions.			
4	In this Article the following terms have the following meanings:			
5	Additional capacity means a new road, [[widening an existing road,]] adding			
6	an additional lane or turn lane to an existing road, or another transportation			
7	improvement that:			
8	(1) increases the maximum theoretical volume of traffic that a road			
9	or intersection can accommodate, or implements or improves			
10	transit, pedestrian and bike facilities or access to non-auto modes			
11	of travel; and			
12	(2) is classified as a minor arterial, arterial, parkway, major highway,			
13	controlled major highway, or freeway in the County's Master			
14	Plan of Highways, or is similarly classified by a municipality.			
15	The Director of Transportation may find that a specified business			
16	district street or industrial street also provides additional capacity			
17	as defined in this provision.			
18	Adequate Public Facilities Ordinance policy area transportation adequacy			
19	standards means standards by which the area-wide adequacy of transportation			
20	facilities serving a proposed development are judged. APFO policy area			
21	transportation adequacy standards do not include requirements for other on-			
22	site or off-site transportation improvements that may be separately required			
23	or standards relating to local area review which may be independently			
24	required.			
25	Agricultural facility means a building or structure, or portion of a building or			
26	structure that is used exclusively for the storage or processing of an			

2

(5)

27	<u>agricultural</u>	product to prepare the product for market and is located in the
28	<u>Agricultura</u>	<u>l Reserve, Rural Residential, RE-1 or RE-2 Zones.</u>
29	Applicant n	neans the property owner, or duly designated agent of the property
30	owner, of	land on which a building permit has been requested for
31	developmen	nt.
32		* * *
33	52-41. Imposition	n and applicability of development impact taxes.
34		* * *
35	(c) The	following impact tax districts are established:
36	(1)	White Flint: The part of the White Flint Metro Station Policy
37		Area included in the White Flint Special Taxing District in
38		Section 68C-2;
39	(2)	Red Policy Areas: Bethesda CBD, Chevy Chase Lake, [[Dale
40		Drive/Manchester Place,]] Forest Glen, Friendship Heights,
41		Grosvenor, Glenmont, [[Long Branch, Lyttonsville/Woodside]],
42		Lyttonsville, Medical Center, Purple Line East, Rockville Town
43		Center, Shady Grove [[Metro Station]], Silver Spring CBD,
44		[[Takoma/Langley]] Takoma, Twinbrook, [[and]] Wheaton
45		CBD and Woodside;
46	(3)	Orange Policy Areas: Bethesda/Chevy Chase, Burtonsville
47		Crossroads, [Chevy Chase Lake,] Clarksburg Town Center,
48		Derwood, Gaithersburg City, Germantown Town Center,
49		Kensington/Wheaton, [Long Branch,] North Bethesda, R&D
50		Village, Rockville City, Silver Spring/Takoma Park,
51		[Takoma/Langley,] White Flint, except the portion that is
52		included in the White Flint Special Taxing District in Section
53		68C-2, and White Oak Policy Areas;

(6)

54		(4)	Yellow Policy Areas: Aspen Hill, Clarksburg, Cloverly,
55			Fairland/Colesville, Germantown East, Germantown West,
56			Montgomery Village/Airpark, North Potomac, Olney, and
57			Potomac Policy Areas; and
58		(5)	Green Policy Areas: Damascus, Rural East, and Rural West
59			Policy Areas.
60			* * *
61	(g)	A de	velopment impact tax must not be imposed on:
62		(1)	any Moderately Priced Dwelling Unit built under Chapter 25A
63			or any similar program enacted by either Gaithersburg or
64			Rockville[,];
65		(2)	any other dwelling unit built under a government regulation or
66			binding agreement that limits for at least 15 years the price or
67			rent charged for the unit in order to make the unit affordable to
68			households earning less than 60% of the area median income,
69			adjusted for family size;
70		(3)	any Personal Living Quarters unit built under [Sec. 59-A-6.15]
71			Section 59-3.3.2.D, which meets the price or rent eligibility
72			standards for a moderately priced dwelling unit under Chapter
73			25A;
74		(4)	any dwelling unit in an Opportunity Housing Project built under
75			Sections 56-28 through 56-32, which meets the price or rent
76			eligibility standards for a moderately priced dwelling unit under
77			Chapter 25A;
78		(5)	[any non-exempt dwelling unit in a development in which at least
79			25% of the dwelling units are exempt under paragraph (1), (2),
80			(3), or (4), or any combination of them;

(7)

81		6]	any c	levelopment located in an enterprise zone designated by the
82			State	[or in an area previously designated as an enterprise zone];
83		<u>(6)</u>	exce	pt for a development located in the City of Rockville, any
84			deve	lopment located in a Qualified Opportunity Zone certified
85			<u>by th</u>	e United States Treasury Department;
86		(7)	a hou	use built by high school students under a program operated
87			by th	e Montgomery County Board of Education; [and] or
88		(8)	a far	m tenant dwelling.
89	(h)	The	develo	pment impact tax does not apply to:
90		(1)	any r	econstruction or alteration of an existing building or part of
91			a bu	ilding that does not increase the gross floor area of the
92			build	ing;
93		(2)	any a	incillary building in a residential development that:
94			(A)	does not increase the number of dwelling units in that
95				development; and
96			(B)	is used only by residents of that development and their
97				guests, and is not open to the public; and
98		(3)	any l	building that replaces an existing building on the same site
99			or in	the same project (as approved by the Planning Board or the
100			equiv	valent body in Rockville or Gaithersburg) to the extent of the
101			gross	floor area of the previous building, if:
102			(A)	[[construction begins]] an application for a building permit
103				is filed within four years [[one year]] after demolition or
104				destruction of the previous building was substantially
105				completed; [[or]]
106			(B)	the Director of the Department of Permitting Services or
107				the Director's designee finds that the applicant was unable

(8)

108		to apply for a building permit or commence construction
109		within four years after demolition or destruction of the
110		previous building was substantially completed due to
111		circumstances beyond the control of the applicant or the
112		applicant's agents; or
113		$(\underline{C})$ the previous building is demolished or destroyed, after the
114		replacement building is built, by a date specified in a
115		phasing plan approved by the Planning Board or
116		equivalent body.
117		However, if in [[either]] any case the development impact tax
118		that would be due on the new, reconstructed, or altered building
119		is greater than the tax that would have been due on the previous
120		building if it were taxed at the same time, the applicant must pay
121		the difference between those amounts.
122	52-49. Tax	rates.
123		* * *
124	<u>(g)</u>	Any non-exempt dwelling unit in a development in which at least 25%
125		
		of the dwelling units are exempt under Section 52-41(g)(1) must pay
126		of the dwelling units are exempt under Section 52-41(g)(1) must pay the tax discounted by an amount equal to the [[lowest standard]] impact
126 127		
	<u>(h)</u>	the tax discounted by an amount equal to the [[lowest standard]] impact
127	<u>(h)</u>	the tax discounted by an amount equal to the [[lowest standard]] impact tax rate applicable in the [[County]] Red Policy Area for that unit type.
127 128	<u>(h)</u>	the tax discounted by an amount equal to the [[lowest standard]] impact tax rate applicable in the [[County]] Red Policy Area for that unit type. Except for a development located in the City of Rockville, any
127 128 129	<u>(h)</u>	the tax discounted by an amount equal to the [[lowest standard]] impact tax rate applicable in the [[County]] Red Policy Area for that unit type. Except for a development located in the City of Rockville, any development located in a Desired Growth and Investment Area, as
127 128 129 130	<u>(h)</u>	the tax discounted by an amount equal to the [[lowest standard]] impact tax rate applicable in the [[County]] Red Policy Area for that unit type. Except for a development located in the City of Rockville, any development located in a Desired Growth and Investment Area, as defined in the 2020-2024 Growth and Infrastructure Policy

(9)

134	(2) [[32%]] 68% of the otherwise applicable rate if located in a		
135	<u>Yellow Policy Area.</u>		
136	52-50. Use of impact tax funds.		
137	Impact tax funds may be used for any:		
138	(a) new road[[, widening of an existing road,]] or total reconstruction of all		
139	or part of an existing road [[required as part of widening of an existing		
140	road,]] that adds an additional lane or turn lane [[highway or		
141	intersection capacity]] or improves transit service or bicycle		
142	commuting, such as bus lanes or bike lanes;		
143	* * *		
144	52-52. Definitions.		
145	In this Article all terms defined in Section 52-39 have the same		
146	meanings, and the following terms have the following meanings:		
147	* * *		
148	Public school improvement means any capital project of the Montgomery		
149	County Public Schools that adds to the number of teaching stations in a public		
150	school.		
151	School service area means the geographically defined attendance area for an		
152	individual school.		
153	52-54. Imposition and applicability of tax.		
154	* * *		
155	(c) The following public school impact tax districts are established, as		
156	identified in the County Growth Policy:		
157	(1) Infill Impact Areas; and		
107			
158	(2) <u>Turnover Impact Areas [[; and</u>		
	<ul> <li>(2) <u>Turnover Impact Areas [[; and</u></li> <li>(3) <u>Greenfield Impact Areas]].</u></li> </ul>		

(10)

- 161(1) any Moderately Priced Dwelling Unit built under Chapter 25A162or any similar program enacted by either Gaithersburg or163Rockville[,];
- 164(2)any other dwelling unit built under a government regulation or165binding agreement that limits for at least 15 years the price or166rent charged for the unit in order to make the unit affordable to167households earning equal to or less than 60% of the area median168income, adjusted for family size;
- any Personal Living Quarters unit built under Section 593.3.2.D, 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 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;
- (6)] any development located in an enterprise zone designated by the
  State: [or in an area previously designated as an enterprise zone;
  or]
- 182(6)except for a development located in the City of Rockville, any183development located in a Qualified Opportunity Zone certified184by the United States Treasury Department; or
- 185 (7) a house built by high school students under a program operated
  186 by the Montgomery County Board of Education.
- 187  $[[(d)]] (\underline{e})$  The tax under this Article does not apply to:

188	(1)	any re	econstruction or alteration of an existing building or part of
189		a buil	ding that does not increase the number of dwelling units of
190		the bu	uilding;
191	(2)	any a	ncillary building in a residential development that:
192		(A)	does not increase the number of dwelling units in that
193			development; and
194		(B)	is used only by residents of that development and their
195			guests, and is not open to the public; and
196	(3)	any b	uilding that replaces an existing building on the same site
197		or in t	the same project (as approved by the Planning Board or the
198		equiv	alent body in Rockville or Gaithersburg) to the extent of the
199		numb	er of dwelling units of the previous building, if:
200		(A)	[[construction begins]] an application for a building permit
201			$\underline{is \ filed}$ within $\underline{four \ years}$ [[one year]] after demolition or
202			destruction of the previous building was substantially
203			completed; [[or]]
204		(B)	the Director of the Department of Permitting Services or
205			the Director's designee finds that the applicant was unable
206			to apply for a building permit or commence construction
207			within four years after demolition or destruction of the
208			previous building was substantially completed due to
209			circumstances beyond the control of the applicant or the
210			applicant's agents; or
211		<u>(C)</u>	the previous building is demolished or destroyed, after the
212			replacement building is built, by a date specified in a
213			phasing plan approved by the Planning Board or
214			equivalent body.

(12)

215		However, if in [[either]] <u>any</u> case the tax that would be due on the new,
216		reconstructed, or altered building is greater than the tax that would have
217		been due on the previous building if it were taxed at the same time, the
218		applicant must pay the difference between those amounts.
219	[[(e)]]	] (f) If the type of proposed development cannot be categorized under
220		the residential definitions in Section 52-39 and 52-52, the Department
221		must use the rate assigned to the type of residential development which
222		generates the most similar school enrollment characteristics.
223	<b>[[</b> (f) <b>]</b> ]	$(\underline{g})$ A Clergy House must pay the impact tax rate that applies to a
224		place of worship under Section 52-41(d) if the house:
225		(1) is on the same lot or parcel, adjacent to, or confronting the
226		property on which the place of worship is located; and
227		(2) is incidental and subordinate to the principal building used by the
228		religious organization as its place of worship.
229		The place of worship tax rate does not apply to any portion of a Clergy
230		House that is nonresidential development.
231	52-55. Tax	rates.
232	(a)	The Council must establish the [Countywide] rates for each school
233		$\underline{impact} \underline{tax} \underline{district}$ [the tax under this Article] by resolution after a
234		public hearing advertised at least 15 days in advance.
235	(b)	[The tax on any single-family detached or attached dwelling unit must
236		be increased by \$2 for each square foot of gross floor area that exceeds
237		3,500 square feet, to a maximum of 8,500 square feet.]
238		[[Any non-exempt single-family attached or multifamily unit located in
239		<u>a Desired Growth and Investment Area, as defined in the County</u>
240		Growth Policy, must pay the tax at 60% of the otherwise applicable
241		rate.

(13)

- (c)]] Any Productivity Housing unit, as defined in Section 25B-17(j), must
  pay the tax at 50% of the otherwise applicable rate.
- [[(d)]] (c) The County Council by resolution, after a public hearing
   advertised at least 15 days in advance, may increase or decrease the
   rates established under this Section.
- The Director of Finance, after advertising and holding a public [[(e)]] (d)247 hearing as required by Section 52-17(c), must adjust the tax rates set in 248 or under this Section effective on July 1 of each odd-numbered year in 249 accordance with the update to the Subdivision Staging Policy using the 250 latest student generation rates and school construction cost data. The 251 252 Director must calculate the adjustment to the nearest multiple of one dollar. The Director must publish the amount of this adjustment not 253 later than May 1 of each odd-numbered year. 254
- 255[[(f)]] (e)Any non-exempt dwelling unit in a development in which at least25625% of the dwelling units are exempt under Section [[52-41(g)(1)]] 52-25754(d)(1) must pay the tax discounted by an amount equal to the [[lowest258standard]] impact tax rate applicable in the [[County]] Infill School259Impact Area for that unit type up to the amount of the impact tax260otherwise applicable.
- 261(f)A three-bedroom multi-family dwelling unit located in an Infill Impact262Area must pay the tax at 40% of the otherwise applicable rate.
- 263 **52-58.** Credits.
- (a) Section 52-47 does not apply to the tax under this Article.
- (b) A property owner must receive a credit for constructing or contributing
   to an improvement of the type listed in Section 52-56(d), including
   costs of site preparation.

(14)

268	<u>(c)</u>	[[A property owner may receive credit for constructing or contributing
269		to other physical school facility improvements not listed in Section 52-
270		56(d) if the Montgomery County School Board agrees to the
271		improvement.
272	<u>(d)</u> ]]	A property owner may receive credit for land dedicated for a school
273		site, if:
274		(1) the density calculated for the dedication area is excluded from
275		the density calculation for the development site; and
276		(2) the Montgomery County School Board agrees to the site
277		dedication.
278	[(b)]	[((e)]] (d) If the property owner elects to make a qualified
279		improvement or dedication, the owner must enter into an agreement
280		with the Director of Permitting Services, or receive a development
281		approval based on making the improvement, before any building permit
282		is issued. The agreement or development approval must contain:
283		(1) the estimated cost of the improvement or the fair market value of
284		the dedicated land, if known then[,];
285		(2) the dates or triggering actions to start and, if known then, finish
286		the improvement or land transfer;
287		(3) a requirement that the property owner complete the improvement
288		according to Montgomery County Public Schools standards; and
289		(4) such other terms and conditions as MCPS finds necessary.
290	[(c)] [	$[(f)]] (e) \qquad MCPS must:$
291		(1) review the improvement plan or dedication;
292		(2) verify costs or land value and time schedules;
293		(3) determine whether the improvement is a public school
294		improvement of the type listed in Section 52-56(d)[[, meets the

(15)

295	requirements of subsection (c),]] or meets the dedication
296	requirements in subsection [(a)] [[(d)]] (c);
297	(4) determine the amount of the credit for the improvement or
298	dedication; and
299	(5) certify the amount of the credit to the Department of Permitting
300	Services before that Department or a municipality issues any
301	building permit.
302	[(d)] [[(g)]] (f) An applicant for subdivision, site plan, or other
303	development approval from the County, Gaithersburg, or Rockville, or
304	the owner of property subject to an approved subdivision plan,
305	development plan, floating zone plan, or similar development approval,
306	may seek a declaration of allowable credits from MCPS. MCPS must
307	decide, within 30 days after receiving all necessary materials from the
308	applicant, whether any public school improvement which the applicant
309	has constructed, contributed to, or intends to construct or contribute to,
310	will receive a credit under this subsection. If during the initial 30-day
311	period after receiving all necessary materials, MCPS notifies the
312	applicant that it needs more time to review the proposed improvement,
313	MCPS may defer its decision an additional 15 days. If MCPS indicates
314	under this paragraph that a specific improvement is eligible to receive
315	a credit, the Director of Permitting Services must allow a credit for that
316	improvement. If MCPS cannot or chooses not to perform any function
317	under this subsection or subsection (c), the Department of Permitting
318	Services must perform that function.
319	[(e)] [[(h)]] (g) (1) A property owner must receive a credit for
320	constructing or contributing to the cost of building a new single

(16)

321		famil	y residence that meets Level I Accessibility Standards, as
322		define	ed in Section 52-107(a).
323	(2)	The c	redit allowed under this Section must be as follows:
324		(A)	If at least 5% of the single family residences built in the
325			project meet Level I Accessibility Standards, then the
326			owner must receive a credit of \$250 per residence.
327		(B)	If at least 10% of the single family residences built in the
328			project meet Level I Accessibility Standards, then the
329			owner must receive a credit of \$500 per residence.
330		(C)	If at least 25% of the single family residences built in the
331			project meet Level I Accessibility Standards, then the
332			owner must receive a credit of \$750 per residence.
333		(D)	If at least 30% of the single family residences built in the
334			project meet Level I Accessibility Standards, then the
335			owner must receive a credit of \$1,000 per residence.
336	(3)	Appli	cation for the credit and administration of the credit must
337		be in	accordance with Subsections 52-107(e) and (f).
338	(4)	A per	rson must not receive a tax credit under this Section if the
339		perso	n receives any public benefit points for constructing units
340		with a	accessibility features under Chapter 59.
341	[(f)] [[ <u>(i)</u> ]	] <u>(h)</u>	The Director of Finance must not provide a refund for a
342	cre	dit which	n is greater than the applicable tax.
343	[(g)] [[(j)]	]] <u>(i)</u>	Any credit issued under this Section before December 31,
344	201	15 expire	s 6 years after the Director certifies the credit. Any credit
345	issu	ued unde	r this Section on or after January 1, 2016 expires 12 years
346	afte	er the Dir	rector certifies the credit.

(17)

[(h)] [[(k)]] (j) After a credit has been certified under this Section, the
property owner or contract purchaser to whom the credit was certified
may transfer all or part of the credit to any successor in interest of the
same property. However, any credit transferred under this subsection
must only be applied to the tax due under this Article with respect to
the property for which the credit was originally certified.

# 353 52-59. [[Reserved]] <u>Utilization Premium Payment</u>.

- (a) In addition to the tax due under this Article, an applicant for a building
   permit must pay to the Department of Finance a Utilization Premium
   Payment if such payment was required under the Annual School Test
   in effect at the time the building was approved.
- 358 (b) The Council by resolution, after a public hearing advertised at least 15
   359 days in advance, must establish the rates for the Utilization Premium
   360 Payment.
- The Director of Finance, after advertising and holding a public hearing. (c) 361 must adjust the rates set in or under this Section effective on July 1 of 362 each odd-numbered year in accordance with the update to the 363 Subdivision Staging Policy using the latest student generation rates and 364 school construction cost data. The Director must calculate the 365 adjustment to the nearest multiple of one dollar. The Director must 366 publish the amount of this adjustment not later than May 1 of each odd-367 numbered year. 368
- 369 (d) The Payment must be paid at the same time and in the same manner as
   370 the tax under this Article.
- 371 (e) The Department of Finance must retain funds collected under this
   372 Section in an account to be appropriated for any public school

(18)

373		impr	ovement that adds capacity designed to alleviate overutilization in		
374		the se	the school service area from which the funds were collected.		
375	<u>(f)</u>	The	The Utilization Premium Payment must not be imposed on any:		
376		<u>(1)</u>	Moderately Priced Dwelling Unit built under Chapter 25A or any		
377			similar program enacted by either Gaithersburg or Rockville;		
378		<u>(2)</u>	other dwelling unit built under a government regulation or		
379			binding agreement that limits for at least 15 years the price or		
380			rent charged for the unit in order to make the unit affordable to		
381			households earning equal to or less than 60% of the area median		
382			income, adjusted for family size;		
383		<u>(3)</u>	Personal Living Quarters unit built under Section 59-3.3.2.D,		
384			which meets the price or rent eligibility standards for a		
385			moderately priced dwelling unit under Chapter 25A; or		
386		<u>(4)</u>	dwelling unit in an Opportunity Housing Project built under		
387			Sections 56-28 through 56-32, which meets the price or rent		
388			eligibility standards for a moderately priced dwelling unit under		
389			Chapter 25A.		
390	Sec.	2. <u>Eff</u> e	ective date - Transition.		
391	This	Act	takes effect on [[February 26, 2021]] March 9, 2021. The		
392	amendment	s in Se	ection 1 [[take effect on March 1, 2021 and]] must apply to:		
393	<u>(1)</u>	any	application for a building permit filed on or after [[March 1]]		
394		Febr	<u>uary 26</u> , 2021 <u>:</u> except <u>for</u>		
395	<u>(2)</u>	[[tha	t the amendments related to discounts or exemptions for projects		
396		with	25% MPDUs must only apply to]] any dwelling unit in a		
397		deve	lopment for which a preliminary plan application is filed [[and		
398		accej	pted on or after]] prior to [[March 1]] February 26, 2021 that		

(19)

399includes 25% afforda	ble units as defined in Sections 52-41(g)(1)
400 <u>through 52-41(g)(4) or</u>	<u>52-54(d)(1) through 52-54(d)(4); or</u>
401 (3) <u>any development in a f</u>	Cormer Enterprise Zone for which a preliminary
402 <u>plan application is filed</u>	l and accepted before January 1, 2021.

Approved:

Sidney Katz, President, County Council

Approved:

DISAPPROVED

Marc Elrich, County Executive

Re-enacted by Council:

Tom Hucker, President, County Council

This is a correct copy of Council action.

SmSinklet\_

Selena Mendy Singleton, Esq., Clerk of the Council

12/9/2020

Date

18

<u>||||7</u>| Date

November 30, 2020

12/8/2020

Date

Date