


MEMORANDUM

October 27, 2017

TO: County Council

FROM: Jeffrey L. Zyontz,  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:

Expedited Bill 36-17
Legislative Request Report

Circle #
1
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Expedited Bill No. 36-17
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	<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:

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.