


MEMORANDUM

April 27, 2018

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: Expedited Bill 16-18, Taxation – Transportation Mitigation Payment - Credit

PURPOSE: Introduction – No Council votes required

Expedited Bill 16-18, Taxation – Transportation Mitigation Payment – Credit, sponsored by Lead Sponsor Councilmember Floreen and Co-Sponsors Councilmembers Katz and Rice is scheduled to be introduced on May 1. A public hearing is tentatively scheduled for June 12 at 1:30 p.m.

Bill 16-18 would authorize the Director of Finance to refund a transportation mitigation payment or give the property owner a credit against the development impact tax for transportation due for the development in the amount of any transportation mitigation payment made for the same development prior to March 1, 2017.

Background

Bill 37-16, Taxation – Development Impact Tax – Transportation and Public School Improvements – Amendments, enacted on November 15, 2016 and signed into law on November 28, 2016, eliminated the transportation mitigation payment in exchange for increasing the development impact tax rate for transportation improvements. Bill 37-16 took effect on March 1, 2017 and included a transition clause that provided that a property owner who paid the revised impact tax rate in effect on or after March 1, 2017 would not be required to pay a transportation mitigation payment. However, some property owners paid all or part of the transportation mitigation payment before March 1, 2017, but were not required to pay the impact tax on the property until after the revised rates took effect on March 1, 2017. Bill 16-18 would authorize the Director of Finance to refund or provide a credit for a transportation mitigation payment made before March 1, 2017 under these circumstances.

This packet contains:

Expedited Bill 16-18
Legislative Request Report

Circle #
1
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Expedited Bill No. 16-18
Concerning: Taxation – Transportation
Mitigation Payment - Credit
Revised: April 24, 2018 Draft No. 3
Introduced: May 1, 2018
Expires: November 1, 2019
Enacted: [date]
Executive: [date signed]
Effective: [date takes effect]
Sunset Date: [date expires]
Ch. [#], Laws of Mont. Co. [year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Floreen
Co-Sponsors: Councilmembers Katz and Rice

AN EXPEDITED ACT to:

- (1) provide a refund or a credit for a transportation mitigation payment made by a property owner under certain circumstances; and
- (2) generally amending the law governing the development impact tax for transportation improvements.

By amending

Chapter 36 of the Laws of Montgomery County 2016
Section 2, Effective Date; Transition

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:

1 **Sec. 1. Section 2 of Chapter 36 of the Laws of Montgomery County 2016**
 2 **is amended as follows:**

3 **Sec. 2. Effective date; Transition.**

4 This Act takes effect on March 1, 2017. The amendments to the development
 5 impact tax for transportation improvements and the development impact tax for public
 6 school improvements added by Section 1 of this Act, must apply to any application for
 7 a building permit filed on or after March 1, 2017. [Any] If a property owner [who] is
 8 required to pay the development impact tax rates for transportation or public school
 9 improvements that take effect on March 1, 2017, the Director of Finance:

10 (a) must not [be required to pay] require the payment of a transportation
 11 mitigation payment or a school facilities payment for the same
 12 development; and

13 (b) must refund the payment or give the property owner a credit against the
 14 development impact tax for transportation due for the development in the
 15 amount of any transportation mitigation payment made for the same
 16 development prior to March 1, 2017.

17 **Sec. 2. Expedited Effective Date.**

18 The Council declares that this legislation is necessary for the immediate
 19 protection of the public interest. This Act takes effect on the date on which it becomes
 20 law and must apply to any transportation mitigation payment made on or after
 21 November 29, 2016.

22 *Approved:*

23 _____
 Hans D. Riemer, President, County Council

_____ Date

LEGISLATIVE REQUEST REPORT

Expedited Bill 16-18

Taxation – Transportation Mitigation Payment - Credit

DESCRIPTION:	Expedited Bill 16-18 would authorize the Director of Finance to refund a transportation mitigation payment or give the property owner a credit against the development impact tax for transportation due for the development in the amount of any transportation mitigation payment made for the same development prior to March 1, 2017.
PROBLEM:	Bill 37-16 provided that a property owner who pays the impact tax on or after March 1, 2017 no longer needs to pay a transportation mitigation payment. However, Bill 37-16 did not authorize the Director of Finance to refund or credit a transportation mitigation payment made before March 1, 2017 where the property owner pays the impact tax after March 1, 2017.
GOALS AND OBJECTIVES:	The goal is to authorize the Director of Finance to refund or credit a transportation mitigation payment made under these circumstances.
COORDINATION:	Department of Finance, Planning Board
FISCAL IMPACT:	To be requested.
ECONOMIC IMPACT:	To be requested.
EVALUATION:	To be requested.
EXPERIENCE ELSEWHERE:	To be researched.
SOURCE OF INFORMATION:	Robert H. Drummer, Senior Legislative Attorney
APPLICATION WITHIN MUNICIPALITIES:	To be researched.
PENALTIES:	N/A