

Bill No. 29-20
Concerning: Taxation – Payments in Lieu
of Taxes – WMATA property -
Established
Revised: October 6, 2020 Draft No. 7
Introduced: July 7, 2020
Enacted: October 6, 2020
Executive: _____
Effective: _____
Sunset Date: December 31, 2032
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Councilmembers Riemer and Friedson
Co-Sponsors: Councilmembers Glass, Navarro, Council President Katz, Councilmember Albornoz,
Council Vice President Hucker and Councilmember Rice

AN ACT to:

- (1) **[[authorize]]** require the Director of Finance to negotiate a payment in lieu of taxes for certain property leased from WMATA;
- (2) establish the amount of the payment in lieu of taxes; and
- (3) generally amend the law governing payments in lieu of taxes.

By adding
Montgomery County Code
Chapter 52, Taxation
Section 52-24A

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 52-24A is added as follows:**

2 **52-24A. Payments in lieu of taxes for certain property leased from WMATA.**

3 (a) Definitions. In this Section, the following words have the following
4 meanings:

5 Director means the Director of the Department of Finance or the
6 Director's designee.

7 High-rise residential apartment building means a multi-family building
8 with an occupied floor that is more than 8 stories above ground level and
9 is used primarily for dwelling units for rent to the public.

10 Metro station means a mass transit train station owned and operated by
11 the Washington Metropolitan Area Transit Authority.

12 Qualifying development means a project [[to construct]] where at least
13 50% of the project consists of the construction of one or more high-rise
14 residential apartment buildings located on land leased from WMATA at
15 a metro station. A qualifying development must include at least 25% of
16 the moderately priced dwelling units required by Chapter 25A affordable
17 to households at 50% of the area median income.

18 Washington Metropolitan Area Transit Authority or WMATA means the
19 regional transit instrumentality of the State of Maryland, Commonwealth
20 of Virginia, and the District of Columbia created by Compact and
21 described in Md. Transportation Code Ann. §10-204, as amended.

22 (b) When authorized by state law, the Director must offer a payment in lieu
23 of taxes for a qualifying development.

24 (c) The payment in lieu of taxes must exempt 100% of the real property tax
25 that would otherwise be levied for a period of 15 years. [[beginning]]
26 The Director may begin the payment in lieu of taxes in the year a use and
27 occupancy permit is issued for the qualifying development or in the

28 second year property tax for the qualifying development is levied,
 29 regardless of subleases or assignments executed by the lessee. The
 30 payment in lieu of taxes must not include an exemption for any tax levied
 31 under an applicable special taxing area law.

32 (d) Any payment accepted by the Director must conform to guidelines
 33 included in a regulation adopted by the Executive under method (1) to
 34 implement this Section. The regulation must require the developer of the
 35 qualifying project, as a condition of receiving a payment in lieu of taxes
 36 under subsection (c), to agree in writing that, to the best of its knowledge,
 37 information, and belief:

38 (1) none of the contractors or subcontractors hired to perform work on
 39 the qualifying development site had three (3) or more final, non-
 40 appealable penalties assessed against it in the amount of \$5,000.00
 41 or more in the 3 years prior to being hired for the project for
 42 violations of applicable wage and hour laws, including the
 43 County’s prevailing wage law and any applicable Maryland wage
 44 and hour laws: and

45 (2) at least 25% of the workers constructing the qualifying project
 46 were residents of the County while performing the work.

47 The regulation must also require the developer to provide quarterly
 48 reports to the Executive during construction demonstrating compliance
 49 with the conditions for receiving a payment in lieu of taxes.

50 (e) A developer of a qualifying project who violates the guidelines included
 51 in the regulation adopted under subsection (d) has committed a Class A
 52 violation.

53 (f) This Act must be known as the “Housing at Metrorail Stations Act.”

54 (g) *Sunset.* A qualifying development is eligible and includes all buildings
55 within its preliminary plan so long as the preliminary plan’s approval
56 occurs before December 31, 2032. For single buildings not part of a
57 multi-building preliminary plan, the building is eligible so long as the
58 sketch or site plan approval occurs before December 31, 2032.
59

Approved:



Sidney Katz, President, County Council 10/7/2020
Date

Approved:

Marc Elrich, County Executive Date
This is a correct copy of Council action.

Selena Mendy Singleton, Esq., Clerk of the Council Date