

Expedited Bill No. 25-23
Concerning: Taxation - Development
Impact Taxes for Transportation and
Public School Improvements -
Amendments
Revised: 6/16/2023 Draft No. 5
Introduced: May 18, 2023
Enacted: June 20, 2023
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Councilmembers Friedson, Glass, and Stewart
Co-sponsors: Councilmembers Fani-González and Balcombe

AN EXPEDITED ACT to:

- (1) modify the calculations for tax rate adjustments for transportation improvements by requiring cumulative increase or decrease in the construction cost index rather than an annual average every two years;
- (2) set a cap on the development impact tax rate for school and transportation improvements;
- (3) allow certain carryover increases of the biennial tax rate adjustments; and
- (4) generally amend the law governing transportation and school development impact taxes.

By amending

Montgomery County Code
Chapter 52, Taxation
Sections 52-49 and 52-55

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:

* * *

(d) The Director of Finance, after advertising and holding a public hearing as required by Section 52-17(c), must adjust the tax rates set in or under this Section effective on July 1 of each odd-numbered year in accordance with the update to the Growth and Infrastructure Policy using the latest student generation rates and [[school]] average Montgomery County Public School construction [[cost data]] costs. The Director must calculate the adjustment to the nearest multiple of one dollar. The Director must publish in the County Register the amount of this adjustment not later than May 1 of each odd-numbered year.

(1) *Inflation cap on tax rate increases.* Notwithstanding subsection (d), the Director must cap the biennial tax rate adjustment not to exceed 20%.

(2) *Carryover of biennial tax rate adjustments in excess of 20%.* If the biennial tax rate adjustment exceeds 20%, the excess [[percentage]] dollar amount must be carried over and added to the tax rate after calculating the next biennial adjustment. If this total adjustment, [[which is also capped at 20%]] including any carried over value, again exceeds 20%, the excess [[percentage]] dollar amount must be carried over and added to the tax rate after calculating the [[following]] biennial adjustment.

* * *

Sec. 2. Expedited Effective Date.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on July 1, 2023.

Sec. 3. Transition.

55 The amendments to the development impact tax for transportation improvements
56 and the development impact tax for public school improvements added by Section 1
57 of this Act, must apply to any application for a building permit filed on or after the
58 effective date of this Act.

Approved:



6/20/2023

Evan Glass, President, County Council

Date

Approved:

Marc Elrich, County Executive

Date

This is a correct copy of Council action.

Sara R. Tenenbaum, Clerk of the Council

Date