

MEMORANDUM

TO: County Council

FROM: *MF* Michael Faden, Senior Legislative Attorney

SUBJECT: **Introduction:** Expedited Bill 55-10, Taxation – Transportation Impact Tax – Credits - Amendments

Expedited Bill 55-10, Taxation – Transportation Impact Tax – Credits - Amendments, sponsored by Councilmembers Knapp and Elrich, is scheduled to be introduced on October 26, 2010. Public hearing/action is tentatively scheduled for November 23 at 1:30 p.m.

Bill 55-10 would clarify the extent to which certain entities may apply unused transportation impact tax credits to satisfy an obligation under Policy Area Mobility Review or a successor policy area transportation test. This bill would modify an amendment to Bill 19-10, Taxes – Transportation Impact Tax – Amendments, which currently awaits Executive action.

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Expedited Bill No. 55-10
Concerning: Taxes - Transportation
Impact Tax – Credits – Amendments
Revised: 10-21-10 Draft No. 1
Introduced: October 26, 2010
Expires: April 26, 2012
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: November 1, 2015
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Knapp and Elrich

AN EXPEDITED ACT to:

- (1) modify the credits that apply to the transportation impact tax; and
- (2) generally amend County law regarding impact taxes.

By amending

Montgomery County Code
Chapter 52, Taxation
Section 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:

1 **Sec. 1. Section 52-55 is amended as follows:**

2 **52-55. Credits.**

3 (a) * * *

4 (2) [Any credit that was certified before July 1, 2002, for an entity
5 that received more than \$20 million in credits under this
6 subsection may be applied to satisfy up to \$2 million worth of
7 obligations under Policy Area Mobility Review or any successor
8 policy area transportation test, in addition to impact taxes. This
9 paragraph is not effective after October 31, 2015.]

10 (A) An entity that received more than \$20 million in credits
11 under this subsection that were certified before July 1,
12 2002, may apply any unused credit to satisfy an obligation
13 under Policy Area Mobility Review, or any applicable
14 successor policy area transportation test, if:

15 (i) the County Executive has identified the project for
16 which a credit would be applied under this
17 paragraph as a strategic economic development
18 project; and

19 (ii) the credit is used before November 1, 2015.

20 (B) The total of any credits used under this paragraph to satisfy
21 an obligation under Policy Area Mobility Review, or any
22 applicable successor policy area transportation test, must
23 not exceed \$1.7 million.

24 * * *

25 **Sec. 2. Expedited Effective Date.**

26 The Council declares that this legislation is necessary for the immediate
27 protection of the public interest. This Act takes effect on the date when it becomes
28 law.

LEGISLATIVE REQUEST REPORT

Expedited Bill 55-10

Taxation – Transportation Impact Tax – Credits – Amendments

DESCRIPTION: Expedited Bill 55-10 would modify the provision which allows credits for the transportation impact tax to apply to satisfy obligations under Policy Area Mobility Review or a successor policy area transportation test.

PROBLEM: Need to further clarify the extent to which certain entities may apply unused transportation impact tax credits to satisfy an obligation under Policy Area Mobility Review or a successor policy area transportation test.

GOALS AND OBJECTIVES: To clarify the extent to which certain entities may apply unused transportation impact tax credits to satisfy an obligation under Policy Area Mobility Review or a successor policy area transportation test.

COORDINATION: Departments of Transportation and Finance

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Michael Faden, Senior Legislative Attorney, 240-777-7905
Glenn Orlin, Deputy Staff Director, 240-777-7936

APPLICATION WITHIN MUNICIPALITIES: Applies only to County transportation impact tax.

PENALTIES: N/A.