Bill No.	62-14	
Concerning:	Taxation -	Development
<u>Impact</u>	<u> Taxes – E</u>	xemptions -
<u>Ancillary</u>	Facilities	
Revised: 1-	30-15	Draft No. 2
Introduced: _	November 2	25, 2014
Enacted:	February 3,	2015
Executive:	February 11	l <u>, 2015</u>
Effective:	October 30,	2014
Sunset Date:	None	
Ch. 4 , La	aws of Mont. C	Co. 2015

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President Rice, Council Vice President Leventhal, and Councilmembers Floreen, Katz, Riemer, and Navarro

AN ACT to:

- (1) exempt from development and school impact taxes certain ancillary facilities in certain residential developments; and
- (2) generally amend the law governing impact taxes.

By amending

Montgomery County Code Chapter 52, Taxation Sections <u>52-47</u>, 52-49, <u>52-57</u>, and 52-89

UnderliningAdded[Single boldface brackets]DeleteDouble underliningAdded[[Double boldface brackets]]Delete	ng or defined term. to existing law by original bill. d from existing law by original bill. by amendment. d from existing law or the bill by amendment. ng law unaffected by bill.
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The County Council for Montgomery County, Maryland approves the following Act:

1	Sec.	1. Sections	<u>52-47,</u> 52-49, <u>52-57,</u> and 52-89 are amended as follows:
2	52-47.	Definition	S.
3	In th	is Article the	following terms have the following meanings:
4			* * *
5	<u>Char</u>	itable, philar	nthropic institution means a private, tax-exempt organization
6	whose primary function is to provide services, research, or educational activities in		
7	areas such as health, social service, recreation, or environmental conservation.		
8	<u>Culti</u>	ural institutio	n means any privately-owned or -operated structure and land
9	where works of art or other objects are kept and displayed, or where books,		
10	periodicals,	and other r	eading material are offered for reading, viewing, listening,
11	study, or re	ference, but	not typically offered for sale. Cultural institution includes a
12	museum, cu	ıltural or art e	exhibit, and library.
13			* * *
`4	[[Soc	cial service	provider means a locally-based, federally tax-exempt
15	nonprofit d	direct provid	der of social services whose primary service area is
16	Montgomer	y County.]]	
17	52-49.	Imposition	and applicability of development impact taxes.
18			* * *
19	(h)	The develo	pment impact tax does not apply to:
20		(1) any r	reconstruction or alteration of an existing building or part of
21		a bu	ilding that does not increase the gross floor area of the
22		build	ing;
23		(2) any a	ncillary building in a residential development that:
24		(<u>A</u>)	does not increase the number of dwelling units in that
25			development; and
26		<u>(B)</u>	is used only by residents of that development and their
:7			guests, and is not open to the public; and

28		[(2)] (3) any building that replaces an existing building on the same site
29		or in the same project (as approved by the Planning Board or the
30		equivalent body in Rockville or Gaithersburg) to the extent of the
31		gross floor area of the previous building, if:
32		(A) construction begins within one year after demolition or
33		destruction of the previous building was substantially
34		completed; or
35		(B) the previous building is demolished or destroyed, after the
36		replacement building is built, by a date specified in a
37		phasing plan approved by the Planning Board or
38		equivalent body.
39		However, if in either case the development impact tax that would
40	•	be due on the new, reconstructed, or altered building is greater
11		than the tax that would have been due on the previous building if
42		it were taxed at the same time, the applicant must pay the
43		difference between those amounts.
44	52-57.	Tax rates.
45	(a)	The tax rates for each impact tax district, except as provided in
46		subsection (b) are:
47	•	* * *
48		<u>Cultural institution</u> <u>0.20</u> <u>0.50</u> <u>0.40</u>
49		Charitable, philanthropic institution 0 0
50		* * *
51	52-89.	Imposition and applicability of tax.
52		* * *
53	(d)	The tax under this Article does not apply to:
4		(1) any reconstruction or alteration of an existing building or part of

		a bui	lding that does not increase the number of dwelling units of
56		the b	uilding;
57	<u>(2)</u>	any a	ncillary building in a residential development that:
58		<u>(A)</u>	does not increase the number of dwelling units in that
59			development; and
60		<u>(B)</u>	is used only by residents of that development and their
61		, .	guests, and is not open to the public; and
62	[(2)]	<u>(3)</u> any	building that replaces an existing building on the same site
63		or in	the same project (as approved by the Planning Board or the
64		equiv	alent body in Rockville or Gaithersburg) to the extent of the
65		numb	er of dwelling units of the previous building, if:
66		(A)	construction begins within one year after demolition or
67			destruction of the previous building was substantially
58	•		completed; or
69		(B)	the previous building is demolished or destroyed, after the
70			replacement building is built, by a date specified in a
71			phasing plan approved by the Planning Board or
72			equivalent body.
73		Howe	ver, if in either case the tax that would be due on the new,
74		recons	structed, or altered building is greater than the tax that
75		would	have been due on the previous building if it were taxed at
76.		the sa	ume time, the applicant must pay the difference between
77		those	amounts.
78			* * *

Sec. 2. This Act takes effect as of October 30, 2014.

79

80	Approved:	
81	Geogh liven that	2/5/2015
	George Leventhal, President, County Council	Date
82	Approved:	
83	Print front	7el 11, 2015
	Isiah Leggett, Corinty Executive	Date
84	This is a correct copy of Council action.	
85	Linda M. Laner	2/11/15
	Linda M. Lauer, Clerk of the Council	Date