

What payments are required of new development?

Infrastructure Funding - Overview

Impact Taxes

- Tax on All New Development - Regardless of Location
- Purpose – Fund Capital Improvements to Support new development
- Schools – Levied By Dwelling Unit (DU) Type
- Transportation – Levied By DU Type and Commercial Square Footage

School Facility Payments

- Payment to Mitigate in School Cluster Areas Where Capacity Exceeds 105% within 5 Years
- Payment Based on 60% of the Cost of a Student Seat
- Payment Varies by DU Type and School Level
- Must be Used in Applicable School Cluster

Transportation Mitigation Payments

- Payment to Fund Transportation Improvements
- Policy Area (TPAR) and Local Area (LATR) “Tests” Establish Adequacy
- Policy Area Test - Amount is 25% of Impact Tax Where Roads or Transit is Inadequate and another 50% Where Both are Inadequate
- Local Area Test - Payments in place of improvements can be approved in limited cases
- Local Area Test - the Payment Must Cover the Cost of the Improvement
- Local Area Test – Trip “Credits” at a rate of \$12,000 / vehicle trip can be approved in limited cases

Development Impact Taxes

- A development impact tax, set by the Montgomery County Council, is assessed on new residential and commercial buildings, and additions to commercial buildings in the County to fund, in part, the improvements necessary to increase the transportation or public school systems.
- The Department of Permitting Services (DPS) is charged with collection of Development Impact Taxes. Development Impact Taxes must be paid before a building permit or use & occupancy permit is issued.

School Impact Taxes

School Impact Tax represents 90% of the cost of a student seat generated by a new unit.

Dwelling Unit Type	Impact Tax per Unit
Single-family detached	\$ 26,827
Single-family attached	\$ 20,198
Multi-family low-mid rise	\$ 12,765
Multi-family high rise	\$ 5,412

Transportation Impact Taxes

The general transportation impact tax rate is based on an relative trip generation rates for different land uses to proportionately allocate the 25-year County program of transportation improvements.

Building Type	Metro Station Policy Area	Clarksburg	General
Single-family detached (per unit)	\$ 6,984	\$ 20,948	\$ 13,966
Single-family attached (per unit)	\$ 5,714	\$ 17,141	\$ 11,427
Multi-family low-mid rise (per unit)	\$ 4,443	\$ 13,330	\$ 8,886
Multi-family high rise (per unit)	\$ 3,174	\$ 9,522	\$ 6,347
Multi-family senior (per unit)	\$ 1,269	\$ 3,808	\$ 2,539
Office (per sq ft of GFA)	\$ 6.35	\$ 15.30	\$ 12.75
Industrial (per sq ft of GFA)	\$ 3.20	\$ 7.60	\$ 6.35
Bioscience (per sq ft of GFA)	\$ 0	\$ 0	\$ 0
Retail (per sq ft of GFA)	\$ 5.70	\$ 3.70	\$ 11.40
Place of Worship (per sq ft of GFA)	\$ 0.35	\$ 0.90	\$ 0.65
Private School (per sq ft of GFA)	\$ 0.50	\$ 1.35	\$ 1.05
Hospital (per sq ft of GFA)	\$ 0	\$ 0	\$ 0
Social Service Agency (per sq ft of GFA)	\$ 0	\$ 0	\$ 0
Other non-residential (per sq ft of GFA)	\$ 3.20	\$ 7.60	\$ 6.35

Recordation Taxes

Levied when a land transfer is recorded in the Maryland Land Records – such as the purchase of an existing home.

The recordation tax is \$6.90 per thousand dollars of the selling price of a property rounded up to the next increment of \$500 – up to \$500,000.

Over \$500,000 the tax is computed at 1% of the selling price.

School Facility Payments and Transportation Mitigation Payments

Levied on development located in an area with inadequate facilities.

Transportation Mitigation Payment is equal to 25 % of the transportation impact tax for roadway or transit inadequacy. In areas inadequate for both roadways and transit, payment rates are set to equal 50% of the impact tax.

School Facility Payment is equal to 60 % of the cost of a student seat for school cluster areas over 105% utilization.

Montgomery County School Facility Payment Rates			
	Elementary	Middle	High
Single-family detached	6,940	3,251	4,631
Single-family attached	4,160	1,743	2,754
Multi-family low to mid rise	2,838	1,169	1,877
Multi-family high rise	1,166	531	804

How much money has been collected?

School Impact Tax Collections (source Mont. Co. Department of Finance)

Fiscal Year ending in:	School Impact Tax Collections for School CIP Projects – Includes Cities of Rockville and Gaithersburg
2004	\$ 434,713
2005	\$ 7,695,345
2006	\$ 6,960,032
2007	\$ 9,562,889
2008	\$ 6,766,534
2009	\$ 7,925,495
2010	\$ 11,473,071
2011	\$ 14,480,846
2012	\$ 16,462,394
2013	\$ 27,901,753
2014	\$ 45,837,273
2015	\$ 32,676,773

Transportation Impact Tax Collections (source Mont. Co. Department of Finance)

Fiscal Year ending in:	Transportation Impact Tax Collections for Transportation CIP Projects – Includes Cities of Rockville & Gaithersburg
2004	\$ 5,245,203
2005	\$ 8,470,768
2006	\$ 6,252,060
2007	\$ 1,500,814
2008	\$ 9,743,841
2009	\$ 2,398,310
2010	\$ 3,812,138
2011	\$ 5,444,115
2012	\$ 6,352,401
2013	\$ 13,179,898
2014	\$ 20,274,781
2015	\$ 6,643,380

Recordation Tax Collections (source Mont. Co. Department of Finance)

Fiscal Year ending in:	Recordation Tax Collections for Schools CIP Projects
2013	\$ 27,640,951
2014	\$ 24,948,565
2015	\$ 26,147,938

School Facility Payment Collections (source Mont. Co. Department of Finance)

Montgomery County

School Facility Payments Collections

FY14 - FY15

	BCC	Clarksburg	Gaithersburg	Northwest	Northwood	Rockville	Wootton	Whitman	Walter Johnson		
<u>FY14</u>											
July						12,354.00					
Aug	46,500.00										
Sept							27,450.00				
Oct	256,884.06		76,221.87				9,150.00				
Nov							18,300.00				
Dec			181,948.98	37,062.00							
Jan	121,410.00										
Feb							68,150.00		237,600.00		
Mar				473,550.00							
Apr				441,790.12							
May											
June											
Total	424,794.06	-	258,170.85	952,402.12	-	12,354.00	123,050.00	-	237,600.00	2,008,371.03	Grand Total
<u>FY15</u>											
July	55,800.00			46,970.00							
Aug				46,970.00							
Sept			259,120.00	46,970.00	6,710.00						
Oct											
Nov		3,060.00							12,500.00		
Dec											
Jan				6,710.00					6,250.00		
Feb				93,940.00	13,770.00				12,500.00		
Mar				94,100.00	16,524.00						
Apr	95,676.00										
May	70,752.00										
June			465,234.00	40,260.00	27,540.00				546,434.00		
Total	222,228.00	3,060.00	724,354.00	375,920.00	64,544.00	-	-	-	577,684.00	1,967,790.00	Grand Total

Transportation Mitigation Payment Estimates

Year	Type	Amount
2005	PAMR	\$864,400
2009	PAMR	\$404,000
2010	PAMR	\$1,153,000
2011	PAMR	\$1,701,300
2012	PAMR	\$1,635,000
2013	PAMR	\$2,129,400
2013	TPAR	\$598,893
2014	PAMR	\$11,700
2014	TPAR	\$45,993
2015	PAMR	\$351,000

Note: This summary reflects an estimate of amounts predicted at the time of Planning Board review. These estimates do not reflect actual payments.