



Montgomery  
County Council

**Committee:** Directly to Council

**Staff:** Pam Dunn, Senior Legislative Analyst; Glenn Orlin, Senior Analyst; Robert Drummer, Senior Legislative Attorney

**Purpose:** To introduce agenda item – no vote expected

**Keywords:** #subdivision staging policy, impact tax, Utilization Premium Payment

AGENDA ITEM #4

November 16, 2020

**Introduction**

## SUBJECT

Utilization Premium Payment rates for public school improvements.

## EXPECTED ATTENDEES

None

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

Council public hearing and action are tentatively scheduled for December 8.

## DESCRIPTION/ISSUE

The rates in the attached resolution reflect the recommendations of the Council as an outcome of its review of the Draft 2020-2024 Subdivision Staging Policy (SSP) and Bill 38-20, Development Impact Taxes.

## SUMMARY OF KEY DISCUSSION POINTS

The Council recommendations reflect the creation of three utilization thresholds at which a Utilization Premium Payment (UPP) will apply. In any school service area with a utilization rate of 105 percent up to a utilization rate of 120 percent, a UPP equal to 40 percent of the portion of the applicable impact tax for the inadequate school level will apply. In any school service area with a utilization rate of 120 percent up to a utilization rate of 135 percent, a UPP equal to 80 percent of the portion of the applicable impact tax for the inadequate school level will apply. And in any school service area with a utilization rate of 135 percent or higher, a UPP equal to 120 percent of the portion of the applicable impact tax for the inadequate school level will apply.

### This report contains:

Draft resolution

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Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: County Council

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**SUBJECT:** Utilization Premium Payment Rates for Public School Improvements

**Background**

1. Under County Code §52-59(b) the County Council must, by resolution, after a public hearing advertised at least 15 days in advance, establish the rates for the Utilization Premium Payment.
2. A public hearing was held on this resolution on December 8, 2020.
3. This resolution is necessary to establish Utilization Premium Payment rates for public school improvements.

**Action**

The County Council for Montgomery County, Maryland, approves the following action:

The Utilization Premium Payment rates, effective for any payments made on or after February 26, 2021, are:

<b>Tier 1 Utilization Premium Payment</b>		<b>Single-family</b>		<b>Multifamily</b>	
		<b>Detached</b>	<b>Attached</b>	<b>Low-Rise</b>	<b>High-Rise</b>
<b>Infill Impact Areas</b>	<b>Elementary</b>	\$3,418	\$2,974	\$867	\$532
	<b>Middle</b>	\$2,051	\$1,784	\$520	\$319
	<b>High</b>	\$2,735	\$2,379	\$693	\$426
<b>Turnover Impact Areas</b>	<b>Elementary</b>	\$3,665	\$3,969	\$2,025	\$433
	<b>Middle</b>	\$2,199	\$2,381	\$1,215	\$260
	<b>High</b>	\$2,932	\$3,175	\$1,620	\$347

<b>Tier 2 Utilization Premium Payment</b>		<b>Single-family</b>		<b>Multifamily</b>	
		<b>Detached</b>	<b>Attached</b>	<b>Low-Rise</b>	<b>High-Rise</b>
<b>Infill Impact Areas</b>	<b>Elementary</b>	\$6,837	\$5,947	\$1,733	\$1,064
	<b>Middle</b>	\$4,102	\$3,568	\$1,040	\$639
	<b>High</b>	\$5,469	\$4,758	\$1,387	\$851
<b>Turnover Impact Areas</b>	<b>Elementary</b>	\$7,330	\$7,938	\$4,049	\$867
	<b>Middle</b>	\$4,398	\$4,763	\$2,430	\$520
	<b>High</b>	\$5,864	\$6,350	\$3,239	\$693

<b>Tier 3 Utilization Premium Payment</b>		<b>Single-family</b>		<b>Multifamily</b>	
		<b>Detached</b>	<b>Attached</b>	<b>Low-Rise</b>	<b>High-Rise</b>
<b>Infill Impact Areas</b>	<b>Elementary</b>	\$10,255	\$8,921	\$2,600	\$1,597
	<b>Middle</b>	\$6,153	\$5,352	\$1,560	\$958
	<b>High</b>	\$8,204	\$7,136	\$2,080	\$1,277
<b>Turnover Impact Areas</b>	<b>Elementary</b>	\$10,995	\$11,907	\$6,074	\$1,300
	<b>Middle</b>	\$6,597	\$7,144	\$3,644	\$780
	<b>High</b>	\$8,796	\$9,525	\$4,859	\$1,040

This is a correct copy of Council action.

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Selena Mendy Singleton, Esq.  
Clerk of the Council