

GO ITEM #3
July 16, 2015
Worksession

MEMORANDUM

July 14, 2015

TO: Government Operations and Fiscal Policy Committee

FROM: Josh Hamlin, Legislative Attorney 

SUBJECT: **Worksession:** Bill 21-15, Finance – Renters’ Property Tax Relief Supplement

Bill 21-15, Finance – Renters’ Property Tax Relief Supplement, sponsored by Lead Sponsor Councilmember Elrich was introduced on May 5, 2015. A public hearing was held on June 9. The Fiscal and Economic Impact Statement is at ©4-8.

Bill 21-15 would require the Director of Finance to pay a Renters’ Property Tax Relief Supplement to certain residents who qualify for a payment from the State under the State “Renters’ Tax Credit Program” (see ©9-13). The State payment to renters is modeled after the Homeowners’ Tax Credit (commonly referred to as the “Circuit Breaker”), and is based on the premise that a portion of rent paid by renters is attributable to property tax paid by the owner of the property. The purpose of the State payment is to return some of that money to renters in the same way it is returned to homeowners through the Circuit Breaker payment.

Bill 21-15 would create a supplemental payment similar in character to the County supplement to the Circuit Breaker payment under Section 52-11A of the County Code. Eligibility for the County supplement would be tied to eligibility for the State payment. The County supplement under the Bill would be 50% of the State payment, which is capped at \$750.

Public Hearing and Correspondence

A public hearing on the Bill was held on June 9, 2015, and there was one speaker. Ilana Branda of the Montgomery Housing Partnership (MHP) testified in support of the Bill (©14-15), saying that the Bill would put more money in the hands of its most vulnerable residents. She indicated that the County payment would result in almost 500 households having an additional \$130, enough to cover a family’s portion of reduced price meals at a Montgomery County elementary school. The Community Action Board (CAB) also indicated its support for Bill 21-15, in a letter dated July 1 (©16-18), saying that a renters’ tax credit payment could “provide a small amount of assistance to residents who are struggling to make ends meet.”

Issues for Committee Discussion

How does the State program work?

Maryland's "Renters' Tax Credit Program" established in § 9-102 of the Tax-Property Article of the Maryland Code is similar to the State's Homeowners' Tax Credit Program, and is based on the premise that renters indirectly pay property taxes as part of their rent. Because of this indirect payment, renters should be entitled to some relief, as are homeowners. The program provides payment in lieu of a property tax credit (since the renters do not directly pay property tax) for an eligible renter who meets certain requirements. As a threshold requirement, an eligible renter must be either: (1) at least 60 years old; (2) permanently and totally disabled; or (3) under the age of 60 with a gross income below the poverty threshold, at least one dependent under the age of 18 living in the household, and not receive federal or state housing subsidies or reside in public housing.

An eligible renter may be entitled to a payment representing a portion of the "assumed real property tax" paid by the renter; "assumed real property tax" is essentially 15% of the rent paid by the renter in the calendar year. The amount of the payment is based upon the relationship between rent and income, and can be up to \$750. The payment amount is reduced by increasing percentages of an applicant's income as the income level rises. Renters have until September 1 of the year in which the payment is sought to apply.

There are four express limitations on the payment made under the program. The payment may not be:

- more than \$750;
- granted to any renter whose combined net worth exceeds \$200,000 as of December 31 of the calendar year for which the property tax relief is sought;
- granted to any renter whose dwelling is exempt from property tax; or
- granted if the credit under this section is less than \$1 in any year.

The application for the State program (©19-22) includes examples, and an illustration of how the State payment would be calculated for a hypothetical renter is at ©23.

How much would a County supplement cost?

In the Fiscal and Economic Impact Statement, the Department of Finance estimates an annual fiscal impact of approximately \$78,000, with \$63,700 being direct payments to eligible renters and \$14,300 in administrative costs. The administrative costs would be \$10,300 in costs for preparation, printing, and mailing of checks, and \$4,000 in overtime costs to administer the program within current staffing levels. There is no expected change in revenues.

Using data from the State Department of Assessments and Taxation ("SDAT"), the Department estimates that 515 renters would benefit from the payment, with the average County payment being \$124. In 2014, the State law was amended to require the SDAT to establish a marketing campaign to promote the program, with a focus on high poverty areas throughout the

State. As this marketing campaign progresses, it is possible that the number of beneficiaries of the County payment will increase.

Council staff recommendation: Given the modest cost of implementation, and the potentially significant benefit to payment recipients, as illustrated in MHP's testimony, Council staff recommends enactment of Bill 21-15.

This packet contains:

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Bill No. 21-15
Concerning: Finance – Renters’
Property Tax Relief Supplement
Revised: 1/12/2015 Draft No. 1
Introduced: May 5, 2015
Expires: November 5, 2016
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Elrich

AN ACT to:

- (1) require the Director of Finance to pay a Renters’ Property Tax Relief Supplement to certain residents who qualify for a certain payment under State law; and
- (2) generally amend the law governing the Renters’ Property Tax Relief Supplement.

By adding

Montgomery County Code
Chapter 20, Finance
Article XV, Renters’ Property Tax Relief Supplement
Section 20-82

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. Article XV (Section 20-82) is added to Chapter 20 as follows:**

2 **ARTICLE XV. Renters' Property Tax Relief Supplement.**

3 **20-82. Renters' Property Tax Relief Supplement.**

4 (a) The Director of Finance must pay a Renters' Property Tax Relief
5 Supplement to each resident who qualifies to receive a payment under
6 the State property tax relief program for renters established under
7 Section 9-102 of the Tax-Property Article of the Maryland Code.

8 (b) For each taxable year, the Supplement to each eligible resident under
9 this Section equals 50% of the State payment to the resident.

10 (c) The Director may require each eligible resident to submit an
11 application for the Supplement, and may take any other action
12 necessary to administer the Supplement.

13 (d) The County Executive may issue regulations under method (2) to
14 administer this Supplement.

15 *Approved:*

16

George Leventhal, President, County Council

Date

17 *Approved:*

18

Isiah Leggett, County Executive

Date

19 *This is a correct copy of Council action.*

20

Linda M. Lauer, Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Bill 21-15

Finance – Renters' Property Tax Relief Supplement

DESCRIPTION: Bill 21-15 would require the Director of Finance to pay a Renters' Property Tax Relief Supplement to certain residents who qualify for a payment from the State under the State "Renters' Tax Credit Program." The County supplement would be 50% of the State payment, which is capped at \$750.

PROBLEM: Renters indirectly pay the property tax on their residences through their rent payments. There is a State program, similar to the State Homeowners' Property Tax Credit, which returns some of this money to renters. Unlike homeowners, there is no County supplement.

GOALS AND OBJECTIVES: Treat renters more equitably by supplementing the State payment approximating the amount of property tax they pay indirectly through rent, similar to what is done with the County supplement to the State Homeowners' Property Tax Credit

COORDINATION: Department of Finance

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Josh Hamlin, 240-777-7892

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: n/a



ROCKVILLE, MARYLAND

MEMORANDUM

June 5, 2015

TO: George Leventhal, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
Joseph F. Beach, Director, Department of Finance *JFH*

SUBJECT: FEIS for Bill 21-15, Finance -- Renters' Property Tax Relief Supplement

Please find attached the fiscal and economic impact statements for the above-referenced legislation.

JAH:fz

cc: Bonnie Kirkland, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
Joseph F. Beach, Director, Department of Finance
Alex Espinosa, Office of Management and Budget
Jed Millard, Office of Management and Budget
Felicia Zhang, Office of Management and Budget
Naeem Mia, Office of Management and Budget

Fiscal Impact Statement
Bill 21-15, Finance – Renters' Property Tax Relief Supplement

1. Legislative Summary.

Bill 21-15 would require the Director of Finance (Director) to pay a Renters' Property Tax Relief Supplement to certain residents who qualify for a payment from the State under the State "Renters' Tax Credit Program." The State payment to renters is modeled after the Homeowners' Tax Credit (commonly referred to as the "Circuit Breaker"), and is based on the premise that a portion of rent paid by renters is attributable to property tax paid by the owner of the property. The purpose of the State payment is to return some of that money to renters in the same way it is returned to homeowners through the Circuit Breaker payment. Eligibility for the County supplement would be tied to eligibility for the State payment. The County supplement under the Bill would be 50% of the State payment, which is capped at \$750.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

The Maryland State Department of Assessments and Taxation (SDAT) provided data on the program starting in FY07, with the exception of FY10 and FY13. The Department of Finance interpolated data for the number of applicants, number of renters receiving a credit, and the total program cost for those missing years. Based on actual and estimated data from FY10-14, Finance estimates an average of 704 applicants with 515 renters receiving the credit and an average total program cost of \$127,400. This results in an average individual credit of \$248 for the State program, annually.

Based on the values above, Finance estimates that Bill 21-15 will provide an additional \$63,700 in supplemental tax credits to renters with an average individual credit of \$124. Added to the State credit, an eligible renter would receive an average total credit of \$372, annually.

At \$20 per check, an administrative cost of \$10,300 would be incurred by Finance for preparation, printing, and mailing of checks to individual recipients.

SDAT is able to provide the Director with a full list of recipients of the State credit, and Finance can administer the program within current staffing levels, but would require approximately \$4,000 in overtime to successfully manage the program.

Overall, the total annual fiscal impact is approximately \$78,000, with \$63,700 in direct payments to eligible renters and \$14,300 for administration.

There would be no change in revenues as a result of Bill 21-15.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

At this time it is difficult to accurately project the cost of the program over the next six fiscal years as there are many variables that could affect the cost of the program from year to year. Please see #10 below.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not applicable.

5. **An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.**

Not applicable.

6. **Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

Expenditures could be affected if future legislation is passed that increases (or decreases) the amount of the County's match to the State credit, or if the State's cap is increased (or decreased).

7. **An estimate of the staff time needed to implement the bill.**

Please see paragraph four in #2 above.

8. **An explanation of how the addition of new staff responsibilities would affect other duties.**

Please see paragraph four in #2 above.

9. **An estimate of costs when an additional appropriation is needed.**

Not applicable.

10. **A description of any variable that could affect revenue and cost estimates.**

There are several variables that, if changed, could affect expenditures related to Bill 21-15. These include, but are not limited to, the following: number of eligible Montgomery County residents, amount of State credit, amount of State cap, amount of County match, and ability of SDAT to share recipient data with Finance.

11. **Ranges of revenue or expenditures that are uncertain or difficult to project.**

Not applicable.

12. **If a bill is likely to have no fiscal impact, why that is the case.**

The fiscal impact of Bill 21-15 is explained in #2 above.

13. **Other fiscal impacts or comments.**

Not applicable.

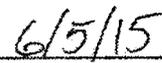
14. **The following contributed to and concurred with this analysis:**

David Platt, Rob Hagedoorn, Michael Coveyou: Department of Finance

Jedediah Millard: Office of Management and Budget



Jennifer A. Hughes, Director
Office of Management and Budget



Date

Economic Impact Statement
Bill 21-15, Finance – Renters’ Property Tax Relief Supplement

Background:

This legislation would require the Director of Finance to pay a Renters’ Property Tax Relief Supplement to certain residents who qualify for a certain payment under State law. The County supplement of Bill 21-15 would be fifty percent (50%) of the State payment which is capped at \$750.

Renters eligible for the credit must be 60 years of age or older or renters with 100 percent disability. The State’s Renters’ Tax Credit Program (RTCP) is administered by the Maryland State Department of Assessments and Taxation (SDAT) and is similar to the State’s Homeowners’ Tax Credit Program. SDAT requires applicants to complete a form to determine the applicant’s income. Secondly, SDAT provides a tax credit table to determine if the applicant is eligible for the credit. The criteria for determining eligibility are total annual gross income and monthly rent. For example, if a renter’s total gross income is \$30,000 and monthly rent is more than \$1,044, the renter should apply for the credit. The amount of credit received by the eligible renter is based upon a comparison of the assumed real property tax in the yearly rent minus a percent of the household income as follows:

1. 0% of the first \$4,000 of income
2. 2.5% of the next \$4,000 of income
3. 5.5% of the next \$4,000 of income
4. 7.5% of the next \$4,000 of income
5. 9.0% in excess of \$16,000

The amount of the credit is the relationship of rent to income. Under current policy, SDAT assumes that fifteen percent (15%) of the rent goes toward the payment of property taxes.

1. The sources of information, assumptions, and methodologies used.

Sources of information and data are from the Maryland State Department of Assessments and Taxation. According to data provided by SDAT, there were 690 applications for the renters’ tax credit program in FY2014 and 72.2 percent or 498 received a credit in Montgomery County. The average credit to Montgomery County renters was \$257 for a total program cost of \$127,724. The total program amount in FY2014 was the second lowest in five years with the amount of \$117,049 in FY2010 the lowest. However, because of the smallest number of renters receiving the credit during the past five years, the average credit was the largest at \$257.

SDAT provided data on the program starting in FY2007, but they provided no data for FY2010 and FY2013. Finance interpolated data for the number of applicants, the number of renters receiving a credit, and the total program cost for those missing years. Based on actual data and estimated data from FY2010 through FY2014, Finance estimated the average number of applicants (704), the number of renters

Economic Impact Statement
Bill 21-15, Finance – Renters' Property Tax Relief Supplement

receiving the credit (515 or 73.2%), and the average total program cost of \$127,400 resulting in an average credit of \$248 for the State's program. Based on those values, Finance estimates that Bill 21-15 will provide an additional \$63,700 in renters' tax credit for an average credit of \$124 to the eligible renter. Combining both State and County programs, the average credit to an eligible renter in Montgomery County would be \$371.

2. A description of any variable that could affect the economic impact estimates.

Finance derived the estimate of additional income to the renter based on the average of the variables during the past five years under the State's RCTP. If the number of applicants and the percent of those applicants receiving the credit exceed the five-year historical average, the total amount of the program under Bill 21-15 would increase. Without specific data, it is uncertain how much of an increase would occur. Based on the five-year average, the average program cost would be nearly \$64,000 per year.

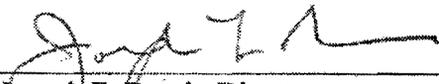
3. The Bill's positive or negative effect, if any on employment, spending, saving, investment, incomes, and property values in the County.

Bill 21-15 would have a positive economic effect on renter's disposable income by providing a 50 percent supplement to the State's RCTP. The amount of that increase in total disposable income depends on the number of eligible renters who receive the credit, the renter's income, and the rent paid.

4. If a Bill is likely to have no economic impact, why is that the case?

Bill 21-15 will have an economic impact on eligible renters in Montgomery County.

5. The following contributed to or concurred with this analysis: David Platt and Rob Hagedoorn, Finance.



Joseph F. Beach, Director
Department of Finance

5/18/15

Date

Find services, agencies and more

Renters' Tax Credits

The Renters' Tax Credit Program provides property tax credits for renters who meet certain requirements. The plan was modeled after and designed to be similar in principle to the Homeowners' Tax Credit Program, which is known to many as the Circuit Breaker Program. The concept rests on the reasoning that renters indirectly pay property taxes as part of their rent and thus should have some protection, as do homeowners.

The plan is based upon the relationship between rent and income. If the portion of rent attributable to the assumed property taxes exceeds a fixed amount in relation to income, the renter can, under specified conditions, receive a credit of as much as \$750. The credit is paid as a direct check from the State of Maryland.

HOW A RENTED DWELLING IS DEFINED

The rented dwelling may be an apartment in an individual house or any type of apartment building, duplex, co-op, condominium, house trailer, or mobile home pad. The dwelling must be the principal residence in Maryland and the renter must live there at least six months of the year. You are only eligible to receive a tax credit for rent paid in the State of Maryland.

The applicant must have a bona fide leasehold interest in the property and be legally responsible for the rent. If the dwelling that is rented is owned by a tax exempt, charitable organization or is exempt in any way from property taxation, a tax credit cannot be granted.

HOW TO DETERMINE IF YOU MAY BE ELIGIBLE

COMBINED INCOMES: Credits are calculated according to total income, meaning all combined gross household income before deductions. This includes income from all sources, whether or not taxable for federal and state income tax purposes. It also includes Social Security as well as all other retirement benefits.

AGE 60 OR OVER OR 100% DISABLED

If you are age 60 or over or 100% disabled, use the chart below to determine if it is worthwhile for you to file an application.

Note: A surviving spouse of one who otherwise would have been eligible also qualifies.

CHART 1

1. Find your approximate 2014 total gross household income in Column A.
2. If your monthly rent is *more* than the figure in Column B across from your income, you *may* be eligible and are encouraged to apply.

Column A Total Income	Column B Monthly Rent
\$1 - 5,000	14
6,000	28
7,000	42
8,000	56
9,000	86
10,000	117
11,000	147
12,000	178
13,000	219
14,000	261
15,000	303
20,000	544
25,000	794
30,000	1,044

The rent in Chart 1 assumes that you pay all your own utilities separate from the monthly rent. If the rent includes gas, electric and heat, you may need to have as much as 18% higher monthly rent to qualify for a credit.

Trailer park residents are advised to submit an application and allow this office to determine eligibility.

Chart 1 is a guide only, and the exact amount of your income and rent will be used to determine your eligibility. If you submit an application, the State will determine your eligibility.

UNDER 60 YEARS OF AGE

If you are a renter under the age of 60 who, during 2014, had at least one dependent under the age of 18 living with you **AND** you did not receive federal or state housing subsidies or reside in public housing **AND** the combined income of all residents of your dwelling is below the following guidelines, you are encouraged to apply.

CHART 2

Persons in Household (Include Applicant)	2014 Gross Income Limit
2	\$16,057
3	18,552
4	23,834
5	28,265
6	31,925
7	36,384
8	40,484
9	48,065

Note: If you think you qualify based on the income limits on the above chart, you are encouraged to apply. The State will determine your eligibility using the above chart and the formula that compares rent and income (See Chart 1).

WHEN AND HOW TO APPLY

Renters have until **September 1** of the year in which the credit is sought to apply, but it is advantageous to file as early as possible.

The standard form on which to apply is provided by the Tax Credits Office of the State Department of Assessments and Taxation.

Applications can be obtained any time after February 1 from your local assessment office or by calling the Tax Credits Telephone Service at 410-767-4433 (Baltimore Area) or 1-800-944-7403 (Toll Free). Use this link to download and print a PDF copy of the Renters Tax Credit Application

HOW TO ESTIMATE THE TAX CREDIT

The property tax relief a renter may receive is based upon a comparison of the assumed real property tax in the yearly rent minus a percentage of the household income as shown here:

- 0% of the first \$4,000 of income
- 2.5% of the next \$4,000 of income
- 5.5% of the next \$4,000 of income
- 7.5% of the next \$4,000 of income
- 9.0% of all in excess of \$16,000

Estimating your own tax credit can be done by taking these three steps. Remember, the key to the plan is your rent in relationship to your income.

The plan assumes that 15% of your occupancy rent goes toward the payment of property taxes. Occupancy rent does not include charges for heat, utilities, or any other fees paid with the rent.

Step 1:

Find your 2014 income and tax limit from the chart in the next column.

Example: If your income is \$11,000, your tax limit is \$265.

Step 2:

Take 15% of the total occupancy rent for the year 2014.

Example: A monthly rental of \$300 would amount to \$3,600 a year. Fifteen percent of \$3,600 is \$540.

Step 3:

Subtract your tax limit amount from the assumed property tax.

Example:

\$540 15% of occupancy rent

-\$265 tax limit from chart

\$275 amount of tax credit

The \$275 difference is the amount the renter would receive as a tax credit.

The amount of the renters' tax credit will vary according to the relationship between the rent and income, with the maximum allowable credit being \$750. Those found eligible for a credit as determined by the State Department of Assessments and Taxation will receive a check directly from the State Treasury. Anyone who is found ineligible will be notified in writing and given the reason why.

IMPORTANT: If 15% of your occupancy rent is more than the tax limit amount shown on the schedule below for your income, you are urged to file a Renters' Tax Credit application.

2014 Combined Income	Tax Limit
\$ 0 to 4,000	\$ 0
5,000	25
6,000	50
7,000	75
8,000	100
9,000	155
10,000	210
11,000	265
12,000	320
13,000	395
14,000	470
15,000	545
16,000	620
17,000	710
18,000	800
19,000	890

20,000	980
For each additional \$1,000 of income, add \$90 to \$980 to find the tax limit.	

Applications should be mailed to:

State Department of Assessments & Taxation
Renters' Tax Credit Program
301 W. Preston Street, Room 900
Baltimore, Maryland 21201-2395

[Contact Us](#)

[Privacy](#)

[Site Map](#)

[Email SDAT](#)

301 W. Preston Street, Baltimore, MD 21201
410-767-1184 | Toll Free in Maryland 888-246-5941 | Maryland Relay 800-735-2258



24

June 9, 2015

The Honorable George Leventhal
President
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Dear Council President Leventhal:

On behalf of Montgomery Housing Partnership (MHP), please allow me the opportunity to share some thoughts on Bills 21-15 (Finance – Renters’ Property Tax Relief Supplement) and 22-15 (Housing Policy – Policy Implementation – Income-Restricted Housing Website). MHP fully supports the Council's continued focus on addressing the unrelenting affordable housing crisis throughout Montgomery County. These two bills both work to tackle our housing crisis from different angles.

First, Bill 21-15 works to make renting more affordable. By matching the State’s circuit breaker tax credit at a 50 percent rate the County is able to put more money in the hands of the most vulnerable residents. Last year 690 applications were submitted for the State’s review. Of those, 498 were approved, with an average credit of \$256.47. If the County adopted Bill 21-15, almost 500 households would have an additional \$130 in their pockets. While it may seem inconsequential, for a family receiving reduced price meals at a Montgomery County Elementary School this \$130 would cover the family’s portion for almost two full school years. We do understand the continued economic fragility of the County; however, we strongly encourage the Council to pass Bill 21-15, and continue to provide support for our most at risk residents.

Second, I would like to address Bill 22-15. One of the challenges we face as an affordable housing provider is making sure that the residents of Montgomery County who need affordable housing know how to find the homes we’ve developed. Bill 22-15 proposes to make that match much easier, and we support this initiative. However, we do have some concerns with the current wording of the Bill. While the Bill can’t cover all details, as written Bill 22-15 is very vague, and leaves too many details to the regulations.

We encourage the Council to strengthen the language in the Bill to further define the content and responsibilities of the website. For example, will the website include all units that have a



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certificate of occupancy or only units that are currently vacant? Partially based on the previous answer – how frequently will the website be updated? If the intent is to match residents up with available homes, data that is even thirty days old may no longer be applicable.

Another question lies with the ownership of the data. The current language in the Bill 22-15 places the responsibility of the website on the County Executive's Office. We must make sure this website incorporates the existing MPDU listings available on the Department of Housing and Community Affairs website. Additionally, how will the Executive Branch obtain their information? In most other jurisdictions with similar websites (for example dchousingsearch.org) the jurisdiction pays for the website hosting, but the responsibility is on each property to list and maintain their data. We encourage the Council to ensure that an effective system is in place for accurate data collection that does not put unrealistic and/or cumbersome requirements on the properties.

Finally, any website developed to support residents in their search for affordable housing must include an educational component. The County should be leveraging this opportunity to connect households with all available resources and programs related to housing. We should be encouraging potential renters and owners to understand the various requirements and processes unique to income-restricted housing. Without the educational piece, we are missing out on a tremendous opportunity to further support vulnerable residents.

To be clear, MHP supports the development of a website that serves to connect residents in need of affordable housing to those homes. However, we do hope that the Council will place additional clarifying language in Bill 22-15 before its passage.

Thank you for considering this input and for keeping the needs of the spectrum of Montgomery County residents at the forefront of your mind. We look forward to the opportunities to continue to work with the County ensuring all our residents live in quality, safe, affordable communities.

I welcome the opportunity to discuss this issue with you further. Please feel free to reach me at rgoldman@mhpartners.org or 301-812-4114.

Sincerely,



Robert A. Goldman, ESQ.
President



COMMUNITY ACTION BOARD

July 1, 2015

Montgomery County Council
Attn: Members of the Government Operations & Fiscal Policy Committee
Council Office Building
100 Maryland Avenue, 5th Floor
Rockville, Maryland 20850

Dear Committee Members:

I am writing to express the Community Action Board's (CAB's) support for Bill 21-15, Renters' Property Tax Relief Supplement. As the voice of low-income County residents, CAB advocates for policies that will benefit these residents and help them move towards self-sufficiency. CAB has been a strong advocate for tax credits, including Earned Income and Child Tax Credits, which benefit low-income workers. Such credits provide added support for residents and help families address their basic needs. Similarly, renters' tax credits can provide a small amount of assistance to residents who are struggling to make ends meet.

At our poverty forums earlier this year, many residents recommended renters' tax credits specifically during discussions about housing. While CAB recognizes that a County renters' tax credit will not solve the larger issue of the extreme lack of affordable housing, this credit would provide a small amount of added support for some of our most vulnerable residents. We recommend that the Council pass this bill and continue to explore other options to address the County's affordable housing concerns.

Enclosed with this letter, please find a copy of a handout summarizing the 2015 poverty forums.

CAB thanks the County Council for its ongoing support of low-income residents. We look forward to continuing to work with the Council to advocate for additional policies to address the most critical needs of the low-income community.

Sincerely,

Matthew J. Green, Jr.
Chairman
Community Action Board

Copied: County Councilmembers

Department of Health and Human Services • Office of Community Affairs • Community Action Agency

2424 Reedie Drive, 2nd Floor, Suite 238 • Wheaton, Maryland 20902
240-777-1697 (Voice or via MD Relay @ 711) • 240-777-3295 FAX
www.montgomerycountymd.gov/hhs



A Public Forum & Community Resource Fair

January 28th **Gaithersburg**

THE MONTGOMERY COUNTY
COMMUNITY ACTION BOARD'S
2015 POVERTY FORUMS



A PUBLIC FORUM ON POVERTY IN MONTGOMERY COUNTY

April 22nd **East County**

In FY15, the Montgomery County Community Action Board hosted two public poverty forums, with the goal of gathering information from low-income residents about the most significant community needs. Members of the community participated in focus groups where they had the opportunity to share their concerns and ideas about four important issues: child care, housing, jobs, and transportation.

CHILD CARE

- Implement Universal PreK
- Increase number and value of vouchers
- Link transportation with child care providers
- Improve information/communications about child care options
- Provide incentives for employers to provide on-site child care
- Increase number of high-quality, affordable child care providers non-traditional hours
- Increase before/after school care and summer options
- Provide child care in all schools
- Change age requirements so that children can start school earlier
- Keep schools open on holidays/professional days
- Improve regulation of child care providers

HOUSING

- Increase housing options for seniors, disabled and homeless residents
- Adjust income requirements for housing programs that are too low (vouchers) or too high (MPDU)
- Improve communications and outreach, including information in other languages
- Increase the number and value of housing vouchers
- Increase funding for affordable housing
- Implement rent control
- Relax zoning restrictions to increase housing options
- Ensure safe, clean neighborhoods that promote community
- Consider innovative ideas such as "tiny houses" and shared housing options

JOBS

- Provide job training/education programs for high-demand fields, including on-the-job training
- Increase access to/training on computer skills
- Ensure homeless residents have the basic necessities to apply for and maintain employment
- Support Montgomery College to offer more training and services
- Post job information at bus stops and Metro stations
- Develop a phone app with job resources
- Create a PSA about employment discrimination
- Increase English classes and provide help to transfer degrees from other countries
- Strengthen free job counseling/placement services
- Require paid sick leave and promote flexible schedules

TRANSPORTATION

- Schedule more buses in underserved areas, more often, including weekends and non-rush hours, with less waiting time
- Establish shuttles between HHS offices and non-profits
- Explore rapid transit/express options and improved regional transportation
- Provide transportation information in "real time" and in more languages
- Ensure that bus stops are covered and well-lit
- Develop free bus service or a circulator project
- Offer incentives for employers providing transportation services or subsidies for employees
- Expand low-cost services for singles, such as monthly passes and tax credits
- Establish walkable communities where people "live, work and play"

Montgomery County: Just the Facts

NEARLY 70,000 COUNTY RESIDENTS LIVE IN POVERTY

CHILD CARE COSTS IN THE COUNTY ARE THE HIGHEST IN THE STATE

AN AVERAGE SINGLE PARENT WITH TWO CHILDREN IN CARE WOULD HAVE TO PAY OVER 60% OF GROSS INCOME ON CHILD CARE, AFTER RECEIVING A SUBSIDY

ANNUAL INCOME AT COUNTY MINIMUM WAGE = \$17,472

SELF-SUFFICIENCY STANDARD FOR A SINGLE PARENT WITH ONE INFANT AND ONE PRESCHOOLER = \$85,926

RENTERS WHO ARE HOUSING BURDENED= 48%
HOMEOWNERS WHO ARE HOUSING BURDENED=28.9%

MORE CHILDREN ARE FOOD INSECURE THAN IN ANY OTHER COUNTY IN MARYLAND

2013 UNEMPLOYMENT RATE=6.2%
AFRICAN AMERICANS=10.4%
HISPANIC RESIDENTS=8.2%
LIVING IN POVERTY=25.6%
DISABLED RESIDENTS=13.7%

RIDE ON USERS WITH ANNUAL HOUSEHOLD INCOME OF LESS THAN \$30,000=55%
INCOME LESS THAN \$50,000=75%
SPEAK A LANGUAGE OTHER THAN ENGLISH AT HOME= 43%

Real Life Stories from the Poverty Forums

When I pick-up food from Manna and other organizations, the trip can take up to 3 hours on public transportation carrying large boxes.

I take 6-10 busses each day and I am concerned about balancing time with my child and working.

I live in East County and work in Laurel. Because there are no buses to Laurel, I spend over \$1000 on cabs getting to and from work.

The Community Action Board appreciates the partnership of agencies and organizations which helped to plan, promote, and host the poverty forums: the City of Gaithersburg, the East County Regional Services Center, East County Citizens Advisory Board, Office of Community Partnerships, Montgomery College, the Gilchrist Center for Cultural Diversity, and the Montgomery County Conflict Resolution Center.



The Montgomery County Community Action Agency

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(240)777-1697 (Main)/ (240)777-3295 (fax)
711 (MD Relay)/ (301)251-4850 (TTY)

Alternative formats of this document are available upon request. Please call the CAA or send e-mail to Leah.Goldfine@montgomerycountymd.gov



State of Maryland
 Department of Assessments and Taxation
 www.dat.maryland.gov

2015 MARYLAND RENTERS' TAX CREDIT

INSTRUCTIONS AND APPLICATION

Form RTC-60

Filing Deadline - September 1, 2015

The State of Maryland provides a direct check payment of up to **\$750** a year for renters who paid rent in the State of Maryland and meet certain eligibility requirements.

- Renters age 60 and over or those 100% disabled as of December 31, 2014, see CHART 1 below.
- Renters under age 60, who have one or more dependents under the age of 18 living in their household and who do not receive Federal or State housing subsidies or reside in public housing, see CHART 1 & 2.

CHART 1 - AGE 60 OR OLDER OR 100% DISABLED.

If you are age 60 or older or 100% disabled, use this chart to see if you should file an application to have the State determine your eligibility.

1. Find your approximate 2014 total gross household income in Column A.
2. If your monthly rent is more than the figure in Column B across from your income, you may be eligible and are encouraged to apply.

(A) 2014 Total Gross Income	(B) 2014 Monthly Rent	(A) 2014 Total Gross Income	(B) 2014 Monthly Rent	(A) 2014 Total Gross Income	(B) 2014 Monthly Rent
\$1 - 5,000	14	\$10,000	\$117	\$15,000	\$303
6,000	28	11,000	147	17,000	394
7,000	42	12,000	178	20,000	544
8,000	56	13,000	219	25,000	794
9,000	86	14,000	261	30,000	1,044

EXAMPLE: Mary Jones, age 67, had a \$9,964 income in 2014 and she paid \$245 per month rent. She also paid all her own utilities. With an income close to \$10,000 and rent that is more than \$117 per month, Mary Jones should apply for the credit.

CHART 2 - UNDER 60 YEARS OF AGE.

If you are a renter under the age of 60 who, during 2014 had at least one dependent under the age of 18 living with you **AND** you did not receive Federal or State housing subsidies or reside in public housing, **AND** the combined income of all residents of your dwelling is below the following guidelines, you are encouraged to apply.

Persons in Household (Includes Applicant)	2014 Gross Income Limit	Persons in Household (Includes Applicant)	2014 Gross Income Limit	Persons in Household (Includes Applicant)	2014 Gross Income Limit
2	\$16,057	5	\$28,265	8	\$40,484
3	\$18,552	6	\$31,925	9	\$48,065
4	\$23,834	7	\$36,384		

Note: If you qualify based upon the income limits above, the State will determine your eligibility using the formula comparing rent and gross income.

EXAMPLE: George and Robin Smith, ages 34 and 33, have two dependents under the age of 18. The total household income for 2014 was \$16,200. In 2014 they paid \$500 per month rent and they paid all their own utilities. Since their income is below \$23,834 (see Chart 2 on this page), the Smiths should apply for the credit.

- The rent in Chart 1 assumes that you pay all your own utilities separate from the monthly rent. If the rent includes gas, electric or heat, you may need to have as much as an 18% higher monthly rent to qualify for a credit.
- Trailer park residents are advised to submit an application and allow this office to determine eligibility.
- Chart 1 is a guide only, and the exact amount of your income and rent will be used to determine your eligibility. If you submit an application, the State will determine your eligibility.

READ THIS IMPORTANT INFORMATION BEFORE COMPLETING THE APPLICATION

1. WHO CAN FILE?

AGE 60 OR OVER OR 100% DISABLED

In order to be eligible for a 2015 Renters' Tax Credit, the applicant must meet ONE of the following requirements.

- have reached age 60, on or before December 31, 2014 **OR**
- be 100% totally and permanently disabled as of December 31, 2014 and submit proof of disability from the Social Security Administration, other federal retirement system, the federal Armed Services or the local City/County Health Officer, **OR**
- be the surviving spouse of one who otherwise could have satisfied the age or disability requirement.

UNDER 60 YEARS OF AGE

In order to be eligible for a credit, an applicant must meet **ALL** of the following requirements:

- had at least one dependent under the age of 18 living with you during 2014 **AND**
- did not receive Federal or State housing subsidies in 2014 **AND**
- your 2014 total gross income was below the limit listed in Chart 2 on the first page of this form.

Applicant must provide a copy of the child's social security card and birth certificate.

If the applicant files a Federal return, the eligible dependent(s) must be listed on the Federal return in order to apply for this credit.

2. REQUIREMENTS FOR ALL APPLICANTS

Each of the following requirements must be met by every applicant:

- the applicant must have a bona fide leasehold interest in the property and be legally responsible for the rent;
 - first time applicants, and prior year applicants who moved in 2014 must submit a copy of their 2014 lease(s), rental agreement, cancelled checks, money order receipts, or other proof of rent paid. Other applicants must submit a copy upon request;
 - the dwelling must be the principal residence where the applicant resided for at least six months in Maryland in calendar year 2014,
 - the dwelling may be any type of rented residence or a mobile home pad on which the residence rests, but it may not include any unit rented from a public housing authority or from an exempt organization;
 - the applicant, spouse and/or co-tenant must have a combined net worth of less than \$200,000 as of December 31, 2014.
- An individual applicant may later be requested to submit additional information to verify what was reported on the application. This request may include a statement of living expenses when it appears that the applicant has reported insufficient means to pay the rent and other living expenses.

3. SPECIFIC INSTRUCTIONS FOR CERTAIN LINE ITEMS

ITEM 14 - SURVIVING SPOUSE

If you are filing as the surviving spouse of a person who would have met the age requirement, include a copy of his/her death certificate. If your spouse was disabled, include a copy of their death certificate and proof of disability.

ITEM 19 - SOURCES OF INCOME

All nontaxable sources of income such as retirement benefits, also must be reported here. The tax credit is based upon "total income", regardless of its source or taxability. Public assistance, government grants, gifts in excess of \$300, expenses paid on your behalf by others, and all monies received to support yourself must be reported.

You must report room and board, household expenses, or the gross income of any other nondependent occupants. Co-tenants cannot pay room and board.

Applicants who receive Public Assistance must provide a copy of the 2014 AIMS Public Assistance letter showing dependents and benefits received.

ITEM 20 - RENT YOU PAID

List only that amount of rent you actually paid and do not include subsidies paid on your behalf such as HUD/Section 8 payments. Do not include monthly fees for any services such as meals, pet fees, garage charges, late charges, security deposits, etc. If you live in a home in a trailer park, report only the rent you paid for the trailer pad or lot.

ITEM 23- PERJURY OATH/SOCIAL SECURITY RELEASE

By signing the form, the applicant, spouse and/or co-tenant is attesting under the penalties of perjury as to the accuracy of the information reported and that the legal requirements for filing have been met. In addition, the signature also authorizes the listed government agencies, Credit Bureaus and the landlord to release information to the Department in order to verify the income or benefits received and rental terms reported by the applicant.



If you need further information or free assistance in completing this application form, please call 410-767-4433 in the Baltimore metropolitan area or 1-800-944-7403 (toll free) for those living elsewhere in Maryland.

PRIVACY AND STATE DATA SYSTEM SECURITY NOTICE

The principal purpose for which this information is sought is to determine your eligibility for a tax credit. Failure to provide this information will result in a denial of your application. Some of the information requested would be considered a "Personal Record" as defined in State Government Article, § 10-624 consequently, you have the statutory right to inspect your file and to file a written request to correct or amend any information you believe to be inaccurate or incomplete. Additionally, it is unlawful for any officer or employee of the state or any political subdivision to divulge any income particulars set forth in the application or any tax return filed except in accordance with judicial legislative order. However, this information is available to officers of the state, county or municipality in their official capacity and to taxing officials of any other state, or the federal government, as provided by statute.

FILING DEADLINE IS SEPTEMBER 1, 2015

PLEASE COMPLETE OTHER SIDE OF APPLICATION FIRST 

17. List all household residents who lived with you in 2014. (If none, write NONE.) **You must answer this question.**

Name	Date of Birth	Social Security Number	Your Dependent? Yes or No	Relationship	2014 Income

If more space is needed, attach a separate list

18. Did or will you, and/or your spouse, file a Federal income Tax Return for 2014? Yes No If yes, a copy of your return (and if married filing separately, a copy of your spouse's return) with all accompanying schedules must be submitted with this application.

19. AMOUNTS AND SOURCES OF INCOME IN 2014 PROOF OF ALL INCOME MUST BE ATTACHED (ATTACH COPIES - NOT ORIGINALS)	(1) APPLICANT	(2) SPOUSE/ CO-TENANT	(3) ALL OTHERS	OFFICE USE ONLY
Wages, Salary, Tips, Bonuses, Commissions, Fees.....				
Interest and Dividends (Includes both taxable and non-taxable).....				
Capital Gains (Includes non-taxed gains).....				
Rental Profits (Net) or Business Profits (Net) (Circle which).....				
Room & Board paid to you by a nondependent resident.....				
Unemployment Insurance; Workers' Compensation (Circle which).....				
Alimony; Support Money (Circle which).....				
Public Assistance (Attach AIMS) or other Government Grants (Circle which).....				
Social Security (Attach copy of 2014 Form SSA-1099) If none, enter "0".....				
S.S.I. Benefits for 2014 (Attach Proof).....				
Railroad Retirement (Attach copy of 2014 Verification or Rate letter).....				
Veteran's Benefits per year.....				
Other Pensions, Annuities, and IRAs per year (If a rollover, attach proof).....				
Gifts over \$300; Expenses Paid by Others; Inheritances (Circle which).....				
All Other Monies Received (Indicate Source).....				
TOTAL INCOME, CALENDAR YEAR 2014				

20. Enter the amount of rent you paid each month in Maryland from January 1 through December 31, 2014 Total Rent for 2014 _____

Jan. _____ Feb. _____ March _____ April _____ May _____ June _____
 July _____ Aug. _____ Sept. _____ Oct. _____ Nov. _____ Dec. _____

21. Do you receive any rent subsidy? No Yes, from whom _____

22. Which utilities or services were included in the monthly rent: If none, check None.

Utilities: Electric (other than for heat) Gas (other than for heat) Heat None
 Services: Meals Pet Fee Housecleaning/Medical Parking Garage Fee Other None

23. I declare under the penalties of perjury, pursuant to Sec. 1-201 of the Maryland Tax-Property Code Ann., that this application (including any accompanying forms and statements) has been examined by me and the information contained herein, to the best of my knowledge and belief, is true, correct and complete, that I have listed all monies received, and that my net worth is less than \$200,000. Further, I hereby authorize the Social Security Administration, Comptroller of the Treasury, Internal Revenue Service, the Income Maintenance Administration, Unemployment Insurance, the State Department of Human Resources, and the Credit Bureaus to release to the Department of Assessments and Taxation any and all information concerning the income or benefits received. I further authorize any landlord listed on this application to provide information about my rental agreement and occupants of the rental unit. I understand that the Department may request at a later date additional information to verify the amount of income reported on the form, and that independent verifications of the information reported may be made.

 _____ Applicant's Signature _____ Date _____ Spouse's or Co-tenant's Signature

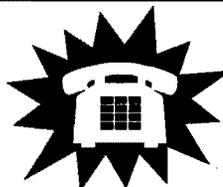
 Name of Preparer Other Than Applicant _____ Date _____ Telephone

Applications are processed in the order in which they are received if additional information is not required.

RETURN TO

Department of Assessments and Taxation
 Renters' Tax Credit Program
 301 W. Preston Street
 9th Floor, Room 900
 Baltimore, Maryland 21201

FOR INFORMATION CALL



Baltimore Metropolitan Area
 410-767-4433
 All Other Areas
 1-800-944-7403

THIS APPLICATION IS NOT OPEN TO PUBLIC INSPECTION - FILING DEADLINE IS SEPTEMBER 1, 2015

ILLUSTRATION: Renters' Property Tax Relief Supplement.

Limitations. State payment must not be:

- more than \$750;
- granted to any renter whose combined net worth exceeds \$200,000 as of December 31 of the calendar year for which the payment is sought;
- granted to any renter whose dwelling is exempt from property tax; and
- granted if the credit would be less than \$1.
-

“Occupancy Rent” = \$1,000/mo = \$12,000/year

“Assumed Real Property Tax” = \$150/mo = \$1,800/year

“Combined income” = \$20,000

State payment =	\$1,800 minus
	0% of 1 st \$4,000 = 0
	2.5% of 2 nd \$4,000 = 100
	5.5% of 3 rd \$4,000 = 220
	7.5% of 4 th \$4,000 = 300
	9.0% of 16,001 = 360

Amount of payment = \$820 >>> \$750

If County payment is 50% of State payment, the County payment would be \$375.