Bill No. 22-14
Concerning: Property Tax – Rent Reduction Tax Credit
Revised: 10/21/2014 Draft No. 7
Introduced: April 22, 2014
Enacted: October 28, 2014
Executive: November 10, 2014
Effective: July 1, 2015
Sunset Date: June 30, 2018
Ch. 35, Laws of Mont. Co. 2014

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council Vice President Leventhal and Councilmembers Berliner, Elrich, Floreen and Navarro

AN ACT to:

(1) create a property tax credit for a property owner providing reduced rent for certain elderly or disabled tenants; and

(2) generally amend the law relating to property tax credits.

By adding
Montgomery County Code
Chapter 52, Taxation
Section [[52-18T]] 52-18W

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets]	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets]]	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

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

1 **Sec. 1. Section [[52-18T]] 52-18W is added as follows:**

2 **[[52-18T]] 52-18W. Property tax credit – reduced rent for elderly or**
3 **disabled tenants.**

4 (a) *Definitions.* In this Section:

5 *Director* means the Director of Finance or the Director's designee.

6 *Elderly or disabled tenant* means a tenant who meets the income- and
7 asset-based eligibility requirements established by regulation under
8 subsection (f) and:

9 (1) is at least 65 years old;

10 (2) has been found permanently and totally disabled and has
11 qualified for benefits under:

12 (A) the Social Security Act;

13 (B) the Railroad Retirement Act;

14 (C) any federal act for members of the United States armed
15 forces; or

16 (D) any federal retirement system; or

17 (3) has been found permanently and totally disabled by the County
18 health officer.

19 *Market rent* means an amount, determined by the Department of
20 Housing and Community Affairs, equal to:

21 (1) the rent charged to other tenants for comparable units in the
22 same property; or

23 (2) if there are no other comparable units in the same property, the
24 rent charged for comparable units in the same market area.

25 *Reduced rent* means rent charged to an elderly or disabled tenant that
26 is at least 15% less than market rent.

27 *Rent reduction* means the difference between the market rent and
28 reduced rent for the dwelling.
29 *Tax-Property Article* means the Tax-Property Article of the Maryland
30 Code.
31 (b) *Credit.* As authorized by §9-219 of the Tax-Property Article, the
32 owner of a rental dwelling who provides reduced rent to an elderly or
33 disabled tenant may receive a credit against the County property tax.
34 (c) *Amount of Credit.*
35 (1) The credit allowed under this Section is 50% of the total rent
36 reductions provided by the owner to elderly or disabled tenants
37 during the tax year.
38 (2) A credit granted to a person under this Section must not exceed
39 the amount of County property tax paid by the person in the tax
40 year in which the credit is granted.
41 (d) *Annual aggregate limit.*
42 (1) Unless a larger amount is approved in the annual operating
43 budget or a Council resolution, during any fiscal year, the total
44 credits granted under this Section must not exceed $250,000.
45 (2) Credits must be granted in the order in which the Department of
46 Finance receives complete applications under subsection (e).
47 (3) A complete application that, if granted, would cause the limit
48 set in paragraph (1) of this subsection to be exceeded, must be
49 granted in the next fiscal year or years based on the order in
50 which the Department of Finance received the application.
51 (e) *Application.*
52 (1) A property owner must submit an application to the Director on
53 or before the date that the Director sets.

56 (B) demonstrate that the taxpayer is entitled to the credit.

57 (f) *Regulations.* The County Executive must adopt regulations under
58 method (2) to administer this Section, including income- and asset-
59 based tenant eligibility requirements.

60 [[(g) *Applicability.* The credit authorized by this Section applies to any tax
61 year beginning after June 30, 2014.]]

62 **Sec. 2. Effective and Sunset Date.** This Act takes effect on July 1,
63 [[2014]]2015 and is effective through the tax year ending on June 30,
64 [[2017]]2018. This Act and any regulation adopted under it is not effective for any
65 tax year beginning on or after July 1, [[2018]]2019.

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67 *Approved:*

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69 Craig L. Rice, President, County Council — 10/28/14 Date

70 *Approved:*

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72 Isiah Leggett, County Executive — NOV 10, 2014 Date

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

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75 Linda M. Lauer, Clerk of the Council — 11/10/14 Date