

**MEMORANDUM**

October 14, 2016

TO: County Council

FROM: Amanda Mihill, Legislative Attorney *AMH*

SUBJECT: **Introduction:** Bill 42-16, Taxation – Property Tax Credit – Elderly Individuals and Veterans

Bill 42-16, Taxation – Property Tax Credit – Elderly Individuals and Veterans, sponsored by Lead Sponsor Council President Floreen, is scheduled to be introduced on October 18, 2016. A public hearing is tentatively scheduled for November 15 at 1:30 p.m.

Bill 42-16 would create a property tax credit for certain elderly individuals and veterans.

This packet contains:

Bill 42-16  
Legislative Request Report  
State enabling legislation

Circle #

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Bill No. 42-16  
Concerning: Taxation – Property Tax  
Credit – Elderly Individuals and  
Veterans  
Revised: 10/13/2016 Draft No. 4  
Introduced: October 18, 2016  
Expires: April 18, 2018  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Council President Floreen

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**AN ACT** to:

- (1) create a property tax credit for certain elderly individuals and veterans;
- (2) provide for the eligibility for the property tax credit; and
- (3) generally amend the law relating to property tax credits.

By adding

Montgomery County Code

Chapter 52, Taxation

Section 52-110, Property tax credit – elderly individuals and veterans

<b>Boldface</b>	<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:*

**Sec. 1. Section 52-110 is added as follows:**

**52-110. Property tax credit – elderly individuals and veterans.**

(a) Definitions. In this Section, the following words have the meanings indicated:

Department means the Department of Finance.

Director means the Director of the Department or the Director's designee.

Dwelling has the same meaning as in §9-105 of the Tax-Property Article of the Maryland Code.

(b) Credit. As authorized by §9-257 of the Tax-Property Article of the Maryland Code, an eligible individual may receive a credit against the County property tax imposed on the dwelling of an eligible individual.

(c) Eligibility. An individual is eligible to receive a property tax credit if:

(1) the individual is at least 65 years old and:

(A) has lived in the same dwelling for at least the preceding 40 years; or

(B) is a retired member of the United States armed forces; and

(2) the dwelling for which a property tax credit is sought has a maximum assessed value of \$500,000.

(d) Amount and duration of credit.

(1) The credit allowed under this Section is 20% of the county property tax imposed on the dwelling.

(2) The credit must be granted each year for 5 years if the individual remains eligible for the credit.

(e) Application.

(1) A property owner must submit an application to the Director on or before the date that the Director sets for each year that the individual remains eligible for the credit.

(2) An application must:

(A) be on the form that the Director requires; and

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

(f) Regulations. The County Executive may issue regulations under Method 2 to administer this tax credit.

*Approved:*

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Nancy Floreen, President, County Council

Date

*Approved:*

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Isiah Leggett, County Executive

Date

*This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council

Date

## LEGISLATIVE REQUEST REPORT

Bill 42-16

*Taxation – Property Tax Credit – Elderly Individuals and Veterans*

**DESCRIPTION:** Bill 42-16 would create a property tax credit for certain elderly individuals and veterans and provide for the eligibility for the property tax credit.

**PROBLEM:** During the 2016 legislative session, the General Assembly enacted, and the Governor signed, House Bill 898 which authorized local governments to provide for a property tax credit for certain elderly individuals and veterans.

**GOALS AND OBJECTIVES:** To implement authority granted by the State.

**COORDINATION:** Finance

**FISCAL IMPACT:** To be requested.

**ECONOMIC IMPACT:** To be requested.

**EVALUATION:** To be requested.

**EXPERIENCE ELSEWHERE:** To be researched.

**SOURCE OF INFORMATION:** Amanda Mihill, Legislative Attorney, 240-777-7815

**APPLICATION WITHIN MUNICIPALITIES:** Taxes and credits apply countywide

**PENALTIES:** N/A

Chapter 498

(House Bill 898)

AN ACT concerning

**Property Tax Credit – Elderly Individuals and Veterans**

FOR the purpose of authorizing the Mayor and City Council of Baltimore City and the governing body of a county or municipal corporation to provide a property tax credit against the county or municipal corporation property tax imposed on the dwelling of certain individuals who are elderly or veterans; providing for the amount and duration of the tax credit; authorizing the Mayor and City Council of Baltimore City and the governing body of a county or municipal corporation to provide for certain matters relating to the tax credit; defining certain terms; providing for the application of this Act; and generally relating to a property tax credit for certain individuals who are elderly or veterans.

BY adding to

Article – Tax – Property

Section 9–257

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Tax – Property**

**9–257.**

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DWELLING” HAS THE MEANING STATED IN § 9–105 OF THIS TITLE;

(3) “ELIGIBLE INDIVIDUAL” MEANS:

(I) AN INDIVIDUAL WHO IS AT LEAST 65 YEARS OLD AND HAS LIVED IN THE SAME DWELLING FOR AT LEAST THE PRECEDING 40 YEARS; OR

(II) AN INDIVIDUAL WHO IS AT LEAST 65 YEARS OLD AND IS A RETIRED MEMBER OF THE ARMED FORCES OF THE UNITED STATES.

**(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SECTION AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON THE DWELLING OF AN ELIGIBLE INDIVIDUAL.**

**(C) THE PROPERTY TAX CREDIT ALLOWED UNDER THIS SECTION MAY:**

**(1) NOT EXCEED 20% OF THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON THE PROPERTY; AND**

**(2) BE GRANTED FOR A PERIOD OF UP TO 5 YEARS.**

**(D) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE, BY LAW, FOR:**

**(1) THE MAXIMUM ASSESSED VALUE OF A DWELLING THAT IS ELIGIBLE FOR THE TAX CREDIT UNDER THIS SECTION;**

**(2) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX CREDIT UNDER THIS SECTION;**

**(3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND**

**(4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX CREDIT UNDER THIS SECTION.**

**SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016, and shall be applicable to all taxable years beginning after June 30, 2016.**

**Approved by the Governor, May 10, 2016.**

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