

Resolution No.: 16-852
Introduced: February 24, 2009
Adopted: February 24, 2009

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Amendment to Resolution No. 16-577, Approval and Appropriation for the FY09 Operating Budget of the Montgomery County Government, Budget Provision No. 46 – Recordation Tax

Background

1. On November 13, 2007 the Council enacted Bill 11-07, *Recordation Tax – Rate*. The bill requires that one-half of the additional revenues received must be used for rental assistance programs for low- and moderate-income households. These revenues must not be used to supplant any otherwise available funds.
2. The County Executive estimated the amount of new recordation tax revenue that must be used for rental assistance is \$2,615,500 in FY09.
3. On May 22, 2008, the County Council adopted Resolution 16-577, *Approval and Appropriation for the FY09 Operating Budget for the Montgomery County Government*. Budget provision forty-six required the Recordation Tax revenues that must be used for rental assistance to be allocated in the following manner, “*This resolution appropriates one half of the net revenue attributable to the increase in the rate of the recordation tax enacted in Bill 11-07, Recordation Tax – Rate, to the Housing Initiative Fund. Seventy percent of these funds must be used to create a local housing voucher program and 30% must be used for short-term emergency rental assistance.*”
4. On February 5, 2009, the Planning, Housing and Economic Development Committee and Health and Human Services Committee held a joint worksession on the Housing First Implementation Plan. The update included information on the increased demand for emergency rental assistance because of the impacts of the economic downturn, the expectation that the Department of Health and Human Services (DHHS) will expend all its emergency rental assistance funding by March of April 2009, and the Housing Opportunities Commission revised FY09 expenditures for the Rent Supplement Program which would allow \$500,000 to be shifted from the Rent Supplement Program to DHHS emergency assistance.

5. The joint Committee recommends that the Council amend Resolution No. 16-577 to reallocate the Recordation Tax revenues so that \$500,000 is shifted to DHHS emergency services.

Action

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

Budget provision No. 46 of Resolution 16-577 is amended as follows:

This resolution appropriates one half of the net revenue attributable to the increase in the rate of the recordation tax enacted in Bill 11-07, Recordation Tax – Rate, to the Housing Initiative Fund. For FY09, this amount is projected to be \$2,615,000. Of this amount, \$1,330,000 will be transferred to the Housing Opportunities Commission to support the Rent Supplement Program and \$1,285,000 may be used by the Department of Health and Human Services for emergency rental assistance.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council