

Bill No. 5-13
Concerning: Property Tax Credit –
Accessibility Features
Revised: 11/19/2013 Draft No. 3
Introduced: February 5, 2013
Enacted: November 19, 2013
Executive: December 2, 2013
Effective: July 1, 2014
Sunset Date: None
Ch. 32, Laws of Mont. Co. 2013

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmember Leventhal

AN ACT to:

- (1) provide for a property tax credit for an accessibility feature installed on an existing residence; ~~[[and]]~~
- (2) provide for a property tax credit for meeting a Level I or Level II accessibility standard on a new single family residence;
- (3) provide for an impact tax credit against the Development Impact Tax For Public School Improvements for meeting a Level I accessibility standard; and
- (4) generally amend County law regarding property tax credits.

By adding

Montgomery County Code
Chapter 40, Real Property
Section 40-12D

Chapter 52, Taxation
~~[[Section]]~~ Sections 52-18T, 52-18U

By amending

Montgomery County Code
Chapter 52, Taxation
Section 52-93

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. [Section] Sections 40-12D, 52-18T and 52-18U [is] are added and**
 2 **Section 52-93 is amended as follows:**

3 **40-12D. Disclosure of availability of property tax credits for accessibility**
 4 **improvements.**

5 (a) Before the buyer signs a contract for the purchase of a new single-
 6 family residential real property in the County, the seller must disclose
 7 to each prospective buyer that a real property tax credit may be
 8 available to the buyer for the cost of installing accessibility features or
 9 the cost of Level I or Level II accessibility standards to the property as
 10 defined in Section 52-18U(a).

11 (b) The disclosure must include [[a description of]] general information
 12 about the types of improvements for which the credits are available
 13 and an estimate of the [[amount of credit]] general cost to make the
 14 improvements.

15 (c) A seller or the seller’s agent is not liable for any incorrect information
 16 disclosed under this Section if the seller or the seller’s agent relied in
 17 good faith on information provided by the County to describe the
 18 credit or to estimate the amount of the credit.

19 **52-18T. Property Tax Credit – Accessibility Features**

20 (a) Definitions. In this Section, the following terms have the meaning
 21 indicated.

22 Department means the Department of [[Finance]] Permitting Services.

23 Director means the Director of the Department or the Director’s
 24 designee.

25 Eligible costs means costs that are:

26 (1) incurred within 12 months before the property owner submits
 27 an application to the Department for the credit;

- 28 (2) for a feature authorized under this Section, including reasonable
 29 costs to install the feature;
 30 (3) paid by the applicant and not, or will not be, reimbursed by any
 31 entity; and
 32 (4) in excess of \$500.

33 Feature means a permanent modification to a residence that results in:

- 34 (1) a no-step front door entrance with a threshold that does not
 35 exceed ½ inch in depth with tapered advance and return
 36 surfaces or, if a no-step front entrance is not feasible, a no-step
 37 entrance to another part of the residence that provides access to
 38 the main living space of the residence;
 39 (2) an installed ramp creating a no-step entrance;
 40 (3) an interior doorway that provides a 32-inch wide or wider
 41 clearing opening;
 42 (4) an exterior doorway that provides a 36-inch wide or wider clear
 43 opening, but only if accompanied by exterior lighting that is
 44 either controlled from inside the residence, automatically
 45 controlled, or continuously on;
 46 (5) walls around a toilet, tub, or shower reinforced to allow for the
 47 proper installation of grab bars with grab bars installed in
 48 accordance with the Americans with Disabilities Act Standards
 49 for Accessible Design;
 50 (6) maneuvering space of at least 30 inches by 48 inches in a
 51 bathroom or kitchen so that a person using a mobility aid may
 52 enter the room, open and close the door, and operate each
 53 fixture or appliance;
 54 (7) an exterior or interior elevator or lift [[of]] or stair glide unit;

- 55 (8) an accessibility-enhanced bathroom, including a walk-in or roll-
 56 in shower or tub; or
- 57 (9) an alarm, appliance, and control structurally integrated into the
 58 unit designed to assist an individual with a sensory disability.
- 59 (b) Credit established. In accordance with Section 9-250 of the Tax-
 60 Property Article of the Maryland Code, the owner of real property
 61 may receive a property tax credit against the County property tax for a
 62 feature that is installed on an existing residence that is the owner's
 63 principal residence when the feature is installed.
- 64 (c) Credits.
- 65 (1) [[Amount of Credit.]] The tax credit allowed under this Section
 66 is the lesser of:
- 67 [[(1)]](A) 50% of the eligible costs; or
- 68 [[(2)]](B) \$2,500 less any subsidy received from a governmental,
 69 quasi-governmental, or non-profit entity for the feature.
- 70 (2) Any credit that is received [[that]] which exceeds the annual tax
 71 liability of the property may be carried over to the next tax year.
- 72 (3) The credit runs with the property upon the transfer of title, and
 73 the balance of any credit [[will]] must be applied to the tax bill
 74 of the subsequent owner of the property.
- 75 (d) Annual Limit on Amount of Credits Granted.
- 76 (1) During any fiscal year, the total of all tax credits granted under
 77 this Section must not exceed \$100,000.
- 78 (2) Credits must be granted in the order in which the Department
 79 [[receives]] certifies the [[complete applications]] amount of the
 80 credit under subsection (e)(3) [[of this Section]].
- 81 (3) [[A complete application that, if granted, would cause the limit
 82 set forth in paragraph (1) of this subsection to be exceeded,

83 must be granted in the next fiscal year or years and in the order
 84 received.]] A certification of a credit that would cause the limit
 85 in subsection (d)(1) [[of this Section]] to be exceeded must be
 86 granted in the next tax year or years, subject to subsections (c)
 87 and (d)(1) [[of this Section]].

88 (e) Application for the Credit.

89 (1) To receive the credit, a property owner must submit an
 90 application to the Department:

91 (A) in the format the Department requires;

92 (B) that includes a copy of the building permit to install the
 93 feature;

94 (C) that includes any document that the Department requires;
 95 and

96 (D) on or before the date the Department sets.

97 (2) The Department must only accept one application for a credit
 98 under this Section for each property during a single tax year.

99 (3) The Department must certify to the Department of Finance that
 100 the property is eligible for the credit and the amount of the
 101 credit.

102 (4) A property owner may submit an application on or after March
 103 1, 2014 for a credit.

104 (f) Administration.

105 (1) The County Executive may adopt regulations under Method (2)
 106 to administer this Section.

107 (2) The Department must submit a written report to the Council by
 108 October 1 of each year for the preceding fiscal year. The report
 109 must include the following:

110 (A) number of applicants;

- 111 (B) number of applications approved;
- 112 (C) [[income range of applicants;]]
- 113 [[D]] modification made by the applicant;
- 114 [[E] reason for the modification]]
- 115 [[F]] (D) other sources from which the applicant received
- 116 funds or applied for assistance for the modification;
- 117 [[G]] (E) efforts to advertise the credit; and
- 118 [[H]] (F) any program recommendations.

- 119 (g) Publicity. The Department must publicize the credit in a way designed
- 120 to inform those most likely to benefit from the credit.
- 121 (h) Effective Date. The credit authorized by this Section applies to tax
- 122 years beginning [[June 30, 2013]] on or after July 1, 2014.

123 **52-18U. Property Tax Credit – Level I and Level II Accessibility Standards**

- 124 (a) Definitions. In this Section, the following terms have the meaning
- 125 indicated:

126 Department means the Department of Permitting Services.

127 Director means the Director of the Department or the Director’s

128 designee.

129 Eligible costs means costs that are:

- 130 (1) incurred within 12 months before the property owner submits
- 131 an application to the Department for the credit;
- 132 (2) for an accessibility feature authorized under this Section,
- 133 including reasonable costs to install the feature;
- 134 (3) paid by the applicant and not, or will not be, reimbursed by any
- 135 entity; and
- 136 (4) in excess of \$500.

137 Accessibility Feature means a permanent addition to a single family
 138 residence that is a requirement under a Level I or Level II
 139 Accessibility Standard.

140 Level I Accessibility Standard means a permanent addition to a single
 141 family residence that include at least one no-step entrance located at
 142 any entry door to the house that is connected to an accessible route to
 143 a place to visit on the entry level, a usable powder room or bathroom,
 144 and a 32-inch nominal clear width interior [[doors]] door as further
 145 defined and described in Executive Regulations adopted under
 146 Method 2.

147 Level II Accessibility Standard means permanent additions to a single
 148 family residence that provide all of the Level I Accessibility Standards
 149 plus an accessible circulation path that connects the accessible
 150 entrance to an accessible kitchen, a full bath, and at least one
 151 accessible bedroom, [[and]] as [[is]] further defined and described in
 152 Executive Regulations adopted under Method 2.

153 Single family residence means an attached or detached single family
 154 home.

155 (b) Credit established. As authorized by Section 9-250 of the Tax-
 156 Property Article of the Maryland Code, the owner of a single family
 157 residence located in Montgomery County may receive a property tax
 158 credit against the County real property tax for the cost of features that
 159 achieve Level I or Level II Accessibility Standards.

160 (c) Amount of Credit. The tax credit permitted by this Section [[will]]
 161 must be as follows:

162 (1) For features meeting Level I Accessibility Standards, certified
 163 costs of up to \$3,000 less any credit received against the
 164 Development Impact Tax for School Improvements under

165 Section 52-93 for those features and less any funds or
 166 assistance received for the accessibility feature.

167 (2) For features meeting Level II Accessibility Standards, certified
 168 costs of up to \$10,000 less any credit received against the
 169 Development Impact Tax for School Improvements under
 170 Section 52-93 for those features and less any funds or
 171 assistance received for the accessibility feature.

172 (3) The maximum amount of credit that may be applied in any one
 173 tax year is \$2,000.

174 (4) The amount of credit that may be applied in any one tax year
 175 must not exceed the amount of County property tax imposed on
 176 the property in that year.

177 (5) Any credit that is granted that exceeds the limit set in
 178 subsection (c)(3) [[of this Section]] or exceeds the annual tax
 179 liability of the property may be carried over to the next tax year,
 180 subject to subsection (c)(3) [[of this Section]], until the entire
 181 amount of the credit is applied.

182 (6) The credit runs with the property upon transfer of title and the
 183 balance of any credit [[will]] must be applied to the tax bill of
 184 the subsequent owner of the property.

185 (d) *Annual Limit on Amount of Credits Granted.*

186 (1) During any tax year, the total of all tax credits granted under
 187 this Section must not exceed \$500,000.

188 (2) Credits must be granted in the order in which the Department
 189 certifies the amount of the credit under subsection (e)(3) [[of
 190 this Section]].

191 (3) A certification of a credit that would cause the limit [[set forth]]
 192 in subsection (d)(1) [[of this Section]] to be exceeded must be

193 granted in the next tax year or years subject to subsections
 194 (c)(3) and (d)(1) [[of this Section]].

195 (e) *Application for the Credit.*

196 (1) To receive the credit, a property owner must submit an
 197 application to the Department:

198 (A) in the format the Department requires;

199 (B) that includes a copy of the building permit to install the
 200 feature;

201 (C) that includes any document that the Department requires;
 202 and

203 (D) on or before the date set in the regulations.

204 (2) The Department must only accept one application for a credit
 205 under this Section for each property during a single tax year.

206 (3) The Department must certify to the Department of Finance that
 207 the property is eligible for the credit and the amount of the
 208 credit.

209 (4) A property owner may apply for a credit on or after March 1,
 210 2014.

211 (f) *Administration.*

212 (1) The County Executive may adopt regulations under Method (2)
 213 to administer this Section.

214 (2) The Department must submit a written report to the Council by
 215 October 1 of each year for the preceding tax year. The report
 216 must include the following:

217 (A) number of applicants;

218 (B) number of applications approved;

219 (C) modification made by the applicant; and

220 (D) efforts to promote the credit.

221 (g) Publicity. The Department must publicize the credit in a way designed
222 to inform those most likely to benefit from the credit.

223 (h) Effective Date. The credit authorized by this Section applies to tax
224 years beginning on or after July 1, 2014.

225 **Sec. 52-93. Credits.**

226 * * *

227 (e) (1) A property owner must receive a credit for constructing or
228 contributing to the cost of building a new single family
229 residence that meets Level I Accessibility Standards, as defined
230 in Section 52-18U(a).

231 (2) The credit allowed under this Section must be as follows:

232 (A) If at least 5% of the single family residences built in the
233 project meet Level I Accessibility Standards, then the
234 owner must receive a credit of \$500 per residence.

235 (B) If at least 10% of the single family residences built in the
236 project meet Level I Accessibility Standards, then the
237 owner must receive a credit of \$1,000 per residence.

238 (C) If at least 25% of the single family residences built in the
239 project meet Level I Accessibility Standards, then the
240 owner must receive a credit of \$1,500 per residence.

241 (D) If at least 30% of the single family residences built in the
242 project meet Level I Accessibility Standards, then the
243 owner must receive a credit of \$2,000 per residence.

244 (3) Application for the credit and administration of the credit
245 [[will]] be in accordance with [[the provisions of]] Subsections
246 52-18U(e) and (f).

247 (4) A person must not receive a property tax credit under this
248 Section if the person receives any public benefit points for
249 constructing units with accessibility features under Chapter 59.

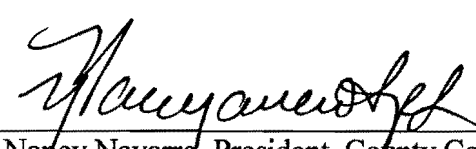
250 (f) The Director of Finance must not provide a refund for a credit which
251 is greater than the applicable tax.

252 [(f)] (g) * * *

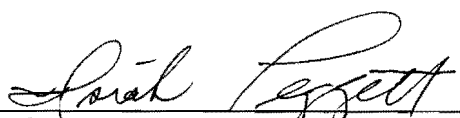
253 **Sec. 2. Effective date.**

254 This Act takes effect on July 1, 2014.


255 *Approved:*

256
257  11/21/13
258 _____
258 Nancy Navarro, President, County Council Date

259 *Approved:*

260
261  Dec 2, 2013
262 _____
262 Isiah Leggett, County Executive Date

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

264
265  Dec 3, 2013
266 _____
266 Linda M. Lauer, Clerk of the Council Date