

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: \_\_\_\_\_  
Effective: July 1, 2015  
Sunset Date: June 30, 2018  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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

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**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

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<b>[Single boldface brackets]</b>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
<b>[[Double boldface brackets]]</b>	<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 ~~[[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.

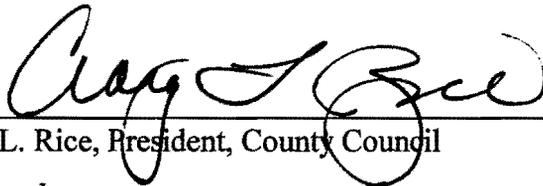
54 (2) An application must:

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

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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10/28/14

\_\_\_\_\_  
Craig L. Rice, President, County Council

\_\_\_\_\_  
Date

70 *Approved:*

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\_\_\_\_\_  
Isiah Leggett, County Executive

\_\_\_\_\_  
Date

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

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\_\_\_\_\_  
Linda M. Lauer, Clerk of the Council

\_\_\_\_\_  
Date