



Committee: GO
Committee Review: At a future date
Staff: Jim Ogorzalek, Legislative Attorney
Purpose: To introduce agenda item – no vote expected

AGENDA ITEM #5A
March 17, 2026
Introduction

SUBJECT

Bill 15-26, Taxation – Property tax credits – Habitat for Humanity Rehabilitations

Lead Sponsors: Councilmember Friedson

Co-Sponsors: Council President Fani-González, Councilmembers Luedtke and Stewart, Council Vice President Balcombe, and Councilmembers Katz, Evans, and Sayles

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

N/A

DESCRIPTION/ISSUE

Bill 15-26 would:

- (1) create a tax credit for properties owned by Habitat for Humanity with the purpose of rehabilitating and transferring to a new owner in the near future; and
- (2) generally amend the law regarding property tax credits.

SUMMARY OF KEY DISCUSSION POINTS

N/A

This report contains:

Staff Report
Bill 15-26

Pages 1–2
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MEMORANDUM

March 12, 2026

TO: County Council

FROM: Jim Ogorzalek, Legislative Attorney

SUBJECT: Bill 15-26, Taxation – Property tax credits – Habitat for Humanity Rehabilitations

PURPOSE: Introduction – no Council votes required

Bill 15-26, Taxation – Property tax credits – Habitat for Humanity Rehabilitations, is scheduled for introduction on March 17, 2026. Its Lead Sponsor is Councilmember Friedson. The bill's Co-Sponsors are Council President Fani-González, Councilmembers Luedtke and Stewart, Council Vice President Balcombe, and Councilmembers Katz, Evans, and Sayles. A public hearing will be scheduled for a later date.

Bill 15-26 would:

- (1) create a tax credit for properties owned by Habitat for Humanity with the purpose of rehabilitating and transferring to a new owner in the near future; and
- (2) generally amend the law regarding property tax credits.

Background

In 2010, by HB 850, the General Assembly authorized a tax credit for certain properties owned by Habitat for Humanity entities intended for rehabilitation and conveyance. In 2011, by HB 558, the General Assembly expanded the authorization to include not only those properties with homes being rehabilitated, but also to properties being developed for the same purpose. This enabling legislation is codified at Maryland Code § 9-252 of the Tax-Property Article.

Bill Specifics

Bill 15-26 implements the tax credit authorized in Maryland Code (TP) § 9-252. The bill would mandate, beginning in the tax year beginning July 1, 2007, a 100 percent tax credit for all properties (1) intended to be relinquished in the near future; (2) used for development, rehabilitation, and transfer to a private owner; and (3) owned by Humanity Metro Maryland, Inc., an entity wholly owned by Habitat for Humanity Metro Maryland, Inc., or another Habitat for Humanity affiliate operating in Montgomery County. The bill establishes an application process

for the tax credit and requires an annual report from entities granted the tax credit. The bill further clarifies that the credit is only for the period in which a property meets the eligibility requirements (as opposed to the entire tax year during which the property is eligible).

This packet contains:
Bill 15-26

Circle #
1

Bill No. 15-26
Concerning: Taxation – Property Tax
Credits – Habitat for Humanity
Rehabilitations
Revised: 3/11/2026 Draft No. 1
Introduced: March 17, 2026
Expiration: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Friedson
Co-Sponsors: Council President Fani-González, Councilmembers Luedtke and Stewart, Council
Vice President Balcombe, and Councilmembers Katz, Evans, and Sayles

AN ACT to:

- (1) create a tax credit for properties owned by Habitat for Humanity with the purpose of rehabilitating and transferring to a new owner in the near future; and
- (2) generally amend the law regarding property tax credits.

By adding

Montgomery County Code
Chapter 52, Taxation
Section 52-114

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 52-114 is added as follows:**

2 **Sec. 52-114. Property tax credit – Habitat for Humanity.**

3 (a) *Eligibility.* As authorized under Section 9-252 of the Tax-Property Article
4 of the Maryland Code, as amended, any property is eligible for a tax credit
5 under this Section if it is:

6 (1) owned by Habitat for Humanity Metro Maryland, Inc., an entity
7 wholly owned by Habitat for Humanity Metro Maryland, Inc., or
8 another Habitat for Humanity affiliate operating in Montgomery
9 County, with the intention of relinquishing ownership in the near
10 future;

11 (2) used for the purposes of development, rehabilitation, and transfer
12 to a private owner; and

13 (3) not occupied by administrative or warehouse buildings owned by
14 any Habitat for Humanity affiliated entity.

15 (b) *Application.*

16 (1) A property owner must submit an application to the Director on or
17 before April 1 before the tax year that the owner seeks to receive
18 the credit. The application will remain open until the next annual
19 application is submitted and may be supplemented by the property
20 owner to include additional real property holdings as they come
21 under its ownership.

22 (2) The application must be submitted on the form prescribed by the
23 Director and signed by a representative of the owner authorized to
24 make the certifications required therein.

25 (c) *Amount and duration of credit.* The property tax credit granted under this
26 section must equal 100 percent of the County property tax imposed on
27 the property for the period in which it meets the eligibility requirements

28 in Section 52-114(a) and must be granted each year the property remains
29 eligible for the credit except that in no event may the credit be granted for
30 more than 5 years

31 (d) Annual Report. Any entity granted a property tax credit under this Section
32 must submit an annual report to the Director documenting all current real
33 property holdings in the County and all transactions involving the entity's
34 real property holdings in the County occurring during the previous year.

35 **Sec. 2. Transition.** The amendments to Section 52-114 under Section 1 of this
36 Act must apply to the tax year beginning July 1, 2027, and to each subsequent tax year.