Montgomery County Council

Committee: GO
Committee Review: At a future date
Staff: Ludeen McCartney-Green, Legislative Attorney
Purpose: To introduce agenda item – no vote expected

AGENDA ITEM #3J
September 15, 2026
Introduction

SUBJECTS

Bill 48-26, Property Tax Credit – Public School Employees

Lead Sponsor: Council President Stewart

Co-Sponsors: Councilmembers Evans, Katz, Friedson, Luedtke, and Mink

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

Bill 48-26 would:

(1) establish a property tax credit for public school employees in the County;
(2) set the amount and duration of the property tax credit;
(3) set eligibility criteria to qualify for the property tax credit; and
(4) generally amend the County law on property tax credit.

SUMMARY OF KEY DISCUSSION POINTS

- N/A

<u>This report contains:</u>

Agenda Item #3J
September 15, 2026
Introduction

M E M O R A N D U M

September 10, 2026

TO: County Council

FROM: Ludeen McCartney-Green, Legislative Attorney

SUBJECT: Bill 48-26, Property Tax Credit – Public School Employees

PURPOSE: Introduction – no Council votes required

Bill 48-26, Property Tax Credit – Public School Employees is scheduled for introduction on September 15, 2026. Councilmember Stewart is the lead sponsor. Co-sponsors are Councilmembers Evans, Katz, Friedson, Luedtke, and Mink. A public hearing on the bill is tentatively scheduled for October 13 at 1:30 p.m. A Government Operations and Fiscal Policy Committee (GO) worksession will be held at a later date.

Bill 48-26 would:

(1) establish a property tax credit for public school employees in the County;
(2) set the amount and duration of the property tax credit;
(3) set eligibility criteria to qualify for the property tax credit; and
(4) generally amend the County law on property tax credit.

BACKGROUND

In 2024, the General Assembly passed enabling legislation that authorized the County to enact a property tax credit for public school employees.[1] Specifically, under Md. Tax-Property Code Ann. § 9-268, the state law allows the County to apply a tax credit towards a primary residence owned by an employee of the Montgomery County Public Schools system. The County also has the authority to set the amount, require additional eligibility criteria, establish the duration of the tax credit, and include any other provisions necessary to administer the credit.

As expressed in the lead sponsor's memorandum (©5), because of the housing affordability crisis facing residents and public school employees, many cannot afford to purchase a home in the community where they work. Bill 48-26 would provide a property tax credit to incentivize homeownership or help reduce property taxes for a County public school employee's home.

[1] Maryland House Bill 66 (Chapter 897 of the 2024 Laws of Maryland)

Since 2024, Prince George's County has provided a similar tax credit benefit for its County public school employees. [2]

BILL SPECIFICS

Under Bill 48-26, the bill would define "public school employees" as:

> *Public school employee* means an individual employed by the Montgomery County Public School System who is a member of the bargaining unit of the Montgomery County Education Association (MCEA) or Service Employees International Union (SEIU) Local 500. A public school employee does not include a superintendent, associate superintendent, chief-level officer, deputy chief, principal, director, coordinator, supervisor, or central service administrator.

High-ranking administrators, such as the superintendent, associate superintendent, chief-level officer, deputy chief, principal, director, coordinator, supervisor, or central service administrator, *would not* be eligible to receive the credit.

The bill allows a total tax credit of $2,500. Additional eligibility criteria include: (1) the public school employee must own the property; (2) the property be the employee's primary residence; and (3) the employee occupies or expects to occupy the property for at least 9 months of the tax year.

If two or more school employees live in the same household, the credit may only be applied once. An application must be submitted in a timely manner for the Director of Finance to consider eligibility and apply the credit towards the property tax during the applicable tax year.

[2] Maryland Senate Bill 191 (Chapter 776 of the 2024 Laws of Maryland).

Bill No. 48-26
Concerning: Property Tax Credit - Public School Employees
Revised: 9/9/2026 Draft No. 2
Introduced: September 15, 2026
Expires: December 7, 2026
Enacted:
Executive:
Effective:
Sunset Date: None
Ch. ____, Laws of Mont. Co. ________

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Stewart
Cosponsors: Councilmembers Evans, Katz, Friedson, Luedtke, and Mink

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AN ACT to:
(1) establish a property tax credit for public school employees in the County;
(2) set the amount and duration of the property tax credit;
(3) set eligibility criteria to qualify for the property tax credit; and
(4) generally amend the County law on property tax credit.

By adding
Montgomery County Code
Chapter 52, Taxation
Section 52-114

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

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

Sec. 1. Section 52-114 is added as follows:

52-114. Property tax credit – public school employees of the County.

(a) *Definitions.* In this Section:

Central Service Administrator, Coordinator, Director, or Supervisor means a staff member of the County public school system who has broad local education agency responsibilities and directs or supervises other public school employees.

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

Dwelling means as defined in Md. Tax-Property Code Ann § 9-105.

Principal means the administrative head of a County school.

Public school employee means an individual employed by the Montgomery County Public School System who is a member of the bargaining unit of the Montgomery County Education Association (MCEA) or Service Employees International Union (SEIU) Local 500. A public school employee does not include a superintendent, associate superintendent, chief-level officer, deputy chief, principal, director, coordinator, supervisor, or central service administrator.

Qualifying property means residential real property located in the County, owned by an eligible public school employee, and used as the employee's principal residence.

Superintendent means the chief administrator of the County's school system.

(b) *Credit required.* The Director of Finance must allow each eligible taxpayer a credit against County real property taxes due in each year in which the taxpayer is eligible for the credit.

(c) *Eligibility.* A taxpayer is eligible for the credit each taxable year for residential property located in the County if the taxpayer:

(1) is a public school employee;

(2) owns the qualifying property;

(3) uses the qualifying property as the taxpayer's principal residence; and

(4) occupies or expects to occupy the qualifying property for at least 9 months during the taxable year for which the tax credit is sought.

(d) *Amount of credit.* The credit must equal $2,500 or the amount of the County real property tax otherwise due on the qualifying property, whichever is less.

(e) *Joint ownership.* A qualifying property may receive only one credit under this Section for each taxable year if two or more employees who own the property are eligible.

(f) *Application.* To receive the credit, a public school employee must apply to the Director on or before April 1 of the tax year before the first tax year for which the tax credit is sought, using a form that contains the information required by the Director. An employee must apply to continue the credit on or before April 1 of each taxable year.

(g) *Continuous eligibility required.* If, at any time during the term of the credit or the renewal of the credit, the property is no longer eligible for the credit:

(1) the credit granted to the property must be terminated; and

(2) the owner of the property is liable for all property taxes that would have been due if the credit had not been granted for any year that the property was not eligible for the credit.

(h) *Appeal.* The Director must take all necessary action to apply the credit to each eligible taxpayer who applies for it and is certified as eligible by the Director. A taxpayer may appeal a final decision by the Director denying, reducing, or terminating the credit to the Maryland Tax Court within 30 days after receiving written notice of the Director's decision.

Sec. 2. Transition.

The amendments to Section 52-113 under Section 1 of this Act must apply for the tax year beginning July 1, 2027 and to each subsequent tax year.

MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

KATE STEWART
COUNCILMEMBER
MONTGOMERY COUNTY COUNCIL

Bill XX-26 Property Tax Credits for Public School Employees
September 2026

During the 2024 Session of the General Assembly, Delegate Lorig Charkoudian led efforts to advance HB66: Property Tax Credits - Public School Employees, Health and Safety Improvements, and Property Used for Local Housing Programs. This legislation passed and was signed into law in 2024 and enables local governments to grant a property tax credit for public school employees.

Because of the housing affordability crisis that is facing residents and our public school employees, many are unable to afford to purchase a home in the community where they work.

The Council has previously passed legislation to give public safety workers property tax credits to facilitate their ability to live in Montgomery County. The County needs to take action and put in place targeted property tax credits that will enable more of our public school employees to afford to live in the County where they work. When our public employees live where they work, there are benefits for our entire community.

Bill XX- 26 adds public school employees to the $2,500 property tax credit that the County currently extends to certain County first responders, including full-time sworn police officers, career firefighters, emergency medical technicians and public safety emergency communications specialists employed by the County

Under this bill public school employees eligible for the property tax credit are defined as:

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> An individual employed by the Montgomery County public school system who is a member of the bargaining unit of the Montgomery County Education Association (MCEA) or Service Employees International Union (SEIU) Local 500. A public school employee does not include a superintendent, chiefs, principal, director, coordinator, supervisor, or central service administrators.

In the last couple of years, through initiatives led by Governor Wes Moore, we have seen a significant decrease in the educator vacancy rate in the state of Maryland. While progress has been made, we continue to see too many educators leaving the profession or moving away from our County in part due to the cost of housing. In 2022 the State Board of Education found that in Maryland, new educators are the most likely to leave and Black and Hispanic teachers are most likely to not return to teach in the state. The cost to the school system of separation, recruitment, hiring, and training has been estimated to cost between $9,000 and $21,000 per teacher.[1]

In addition to our classroom teachers, we have many staff who support and work with our families to ensure student success. Unfortunately, too many of our public school employees are unable to afford to purchase a home in the County or find it difficult to stay in their home.

According to the Comptroller's office, 4,949 of employees of Montgomery County Public Schools in the tax year 2024 owned a home in the County. This number is higher than the number of public school employees who would be eligible for the tax credit given the definition in the bill.

As we work to support our families and address the housing affordability crisis in the County, extending targeted property tax credits to those who work in our school system will benefit our entire community.

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[1] https://www.marylandpublicschools.org/stateboard/Documents/2022/0726/TabGBlueprintAndDataDeepDiveTeacherPipelineAndDiversity.pdf

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