

MEMORANDUM

June 8, 2018

TO: County Council

FROM: Amanda Mihill, Legislative Attorney *A. Mihill*

SUBJECT: Expedited Bill 17-18, Property tax credit — elderly individuals and retired military services members – application

PURPOSE: Public Hearing – no Council votes required

Expedited Bill 17-18, Property Tax Credit – Elderly Individuals and Retired Military Services Members - Application, sponsored by Lead Sponsor Councilmember Leventhal and Co-Sponsors Councilmembers Rice, Katz, Floreen, Council Vice-President Navarro and Councilmember Hucker was introduced on May 1, 2018. A Government Operations and Fiscal Policy Committee worksession is tentatively scheduled for June 14 at 9:30 a.m.

Bill 17-18 would change the application process for individuals to receive the property tax credit for elderly individuals and retired military services members. Specifically, it would remove the requirement for an individual to apply every year that the individual is eligible to receive the credit. Instead, an individual would apply for the credit the first year and would automatically receive the credit for 4 additional years if the individual remains eligible for the credit. Bill 17-18 would apply retroactively so that individuals that missed the April 1, 2018 deadline for the second year of the credit would still receive the credit for the tax year that begins July 1. A sponsor memorandum is on ©4.

At the appropriate time, Councilmember Floreen intends to offer the amendment on ©5-6 to implement recent state law changes to allow a surviving spouse of a veteran eligible for the credit to receive the credit.

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Expedited Bill No. 17-18
Concerning: Property tax credit —
elderly individuals and retired military
services members – application
Revised: 4/24/2018 Draft No. 1
Introduced: May 1, 2018
Expires: November 1, 2019
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Leventhal
Co-Sponsors: Councilmembers Rice, Katz and Floreen

AN EXPEDITED ACT to:

- (1) change the application process for individuals to receive the property tax credit for elderly individuals and retired military services members; and
- (2) generally amend the property tax credit for elderly individuals and retired military services members.

By amending
Montgomery County Code
Chapter 52, Taxation
Section 52-110

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 52-110 is amended as follows.**

2 **52-110. Property tax credit — elderly individuals and retired military services**
3 **members.**

4 * * *

5 (d) Amount and duration of credit.

6 (1) The credit allowed under this Section is 20% of the County
7 property tax imposed on the dwelling.

8 (2) The credit must be granted each year for 5 years if the individual
9 remains eligible for the credit.

10 (e) Application.

11 (1) A property owner must submit an application to the Director on
12 or before April 1 before [each] the tax year that the individual
13 [remains eligible for] first seeks to receive the credit. An annual
14 application is not required for an individual to receive the credit.

15 (2) An application must:

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

17 (B) demonstrate that the taxpayer is entitled to the credit.

18 * * *

19 **Sec. 2. Expedited Effective Date.**

20 The Council declares that this legislation is necessary for the immediate
21 protection of the public interest. This Act takes effect on the date on which it
22 becomes law and applies retroactively to March 31, 2018.

LEGISLATIVE REQUEST REPORT

Expedited Bill 17-18

Property Tax Credit – Elderly Individuals and Retired Military Services Members – Application

DESCRIPTION:	Expedited Bill 17-18 would change the application process for individuals to receive the property tax credit for elderly individuals and retired military services members.
PROBLEM:	Some first year recipients of the tax credit did not apply to receive the credit in subsequent years.
GOALS AND OBJECTIVES:	To allow recipients to apply only once to receive the credit for the five-year duration of the tax credit.
COORDINATION:	Department of Finance
FISCAL IMPACT:	To be requested.
ECONOMIC IMPACT:	To be requested.
EVALUATION:	To be requested.
EXPERIENCE ELSEWHERE:	To be researched.
SOURCE OF INFORMATION:	Amanda Mihill, Legislative Attorney, 240-777-7815
APPLICATION WITHIN MUNICIPALITIES:	Taxes and credits apply countywide
PENALTIES:	N/A



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

GEORGE LEVENTHAL
COUNCILMEMBER
AT-LARGE

MEMORANDUM

April 24, 2018

TO: Councilmembers

FROM: George Leventhal, Councilmember *GL*

SUBJECT: Change to the property tax credit for elderly individuals and retired military members

On Tuesday, I will be introducing the attached bill that would slightly modify the application process for elderly individuals and veterans who are seeking to receive a property tax credit under County law. Currently, elderly residents who meet a certain criteria and retired military service members seeking a property tax credit under Bill 10-16 enacted by the Council, must re-apply for the credit each year. The attached bill would allow seniors to apply only once for the entire five-year duration of the tax credit.

As our senior residents age in place, I believe it is important to help simplify their lives. This small change will go a long way in providing peace of mind for seniors who shouldn't have to worry about whether they have applied for this particular tax credit that is available to them. This change allows the existing tax credit to more closely align with the Homestead Exemption which is automatically renewed.

If you have any questions or if you would like to co-sponsor this bill, please contact Walton Harris in my office.

AMENDMENT

To Bill 17-18

BY COUNCILMEMBER FLOREEN

PURPOSE: To implement recent state law changes to allow a surviving spouse of a veteran eligible for the credit to receive the credit.

Beginning on page 2, after line 18, renumber Section 2 and add new Section 2 as follows:

Sec. 2. Section 52-110 is amended as follows:

* * *

- (c) Eligibility. An individual is eligible to receive a property tax credit if:
- (1) (A) the individual is at least 65 years old;
 - (B) the individual has lived in the same dwelling for at least the preceding 40 years; and
 - (C) the dwelling for which a property tax credit is sought has a maximum assessed value of \$650,000 at the time the individual first applied for the credit; ~~[[or]]~~
 - (2) (A) the individual is at least 65 years old;
 - (B) the individual is a retired member of the uniformed services of the United States as defined in 10 U.S.C. §101, the military reserves, or the national guard; and
 - (C) the dwelling for which a property tax credit is sought has a maximum assessed value of \$500,000 at the time the individual first applied for the credit~~[[.]]~~; or
 - (3) the individual is a surviving spouse of an individual described in paragraph (c)(2) if:
 - (A) the deceased individual would have qualified as an eligible individual under (c)(2) at the time of the deceased individual's death; and
 - (B) the surviving spouse has not remarried.

* * *

Beginning on page 2, lines 19-22, amend Section 2 to read:

24 **Sec. ~~[[2]]~~ 3. Expedited Effective Date; application date.**

25 The Council declares that this legislation is necessary for the immediate
26 protection of the public interest~~[[.]]~~ and takes effect as follows:

27 (a) ~~[[This]]~~ Section 1 of this Act takes effect on the date on which it becomes
28 law and applies retroactively to March 31, 2018.

29 (b) Section 2 of this Act takes effect on July 1, 2018. Notwithstanding
30 Section 52-110(e), an individual that meets the eligibility criteria of
31 Section 51-110(c)(3) must submit an application to the Director on or
32 before September 1, 2018 if the individual seeks to receive the tax credit
33 for Fiscal Year 2019.

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