

Committee: GO

**Committee Review:** At a future date

**Staff:** Christine Wellons, Senior Legislative Attorney **Purpose:** To receive testimony – no vote expected

AGENDA ITEM #3 January 23, 2024 **Public Hearing** 

## **SUBJECT**

Bill 45-23, Property Tax Credit – Individuals 65 and Above, Retired Military Service Members, and Disabled Military Service Members

Lead Sponsor: Council President Friedson

Co-Sponsors: Councilmembers Albornoz, Fani-González, Luedtke, Balcombe, Sayles, and Katz

### **EXPECTED ATTENDEES**

Members of the public

### **COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION**

N/A; to receive testimony

## **DESCRIPTION/ISSUE**

Bill 45-23 would:

- (1) alter the eligibility criteria for the property tax credit available to individuals 65 and above, and to retired or disabled military service members and their spouses;
- (2) alter the amounts of the property tax credit; and
- (3) generally amend the property tax credit for individuals 65 and above and for retired or disabled military service members and their spouses.

## **SUMMARY OF KEY DISCUSSION POINTS**

N/A

## **This report contains:**

Staff Report	Pages 1 - 2
Bill 45-23	© 1
Racial Equity and Social Justice Impact Statement	© 6
Climate Assessment	© 11
Climate Assessment	© 11

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### MEMORANDUM

January 18, 2024

TO: County Council

FROM: Christine Wellons, Senior Legislative Attorney

SUBJECT: 45-23, Property Tax Credit – Individuals 65 and Above, Retired Military Service

Members

PURPOSE: Public hearing – to receive testimony

Bill 45-23, Property Tax Credit – Individuals 65 and Above, Retired Military Service Members, and Disabled Military Service Members, sponsored by Lead Sponsor Council President Friedson and Co-sponsors Councilmembers Albornoz, Fani-González, Luedtke, Balcombe, Sayles, and Katz, was introduced on December 12, 2023. A public hearing is scheduled for January 23, 2024. The bill will be considered by the Government Operations and Fiscal Policy (GO) Committee on February 22, 2024.

## Bill 45-23 would:

- (1) alter the eligibility criteria for the property tax credit available to individuals 65 and above, and to retired or disabled military service members and their spouses;
- (2) alter the amounts of the property tax credit; and
- (3) generally amend the property tax credit for individuals 65 and above and for retired or disabled military service members and their spouses.

### BACKGROUND

Under current County law, certain individuals over age 65 and military retirees (including surviving spouses) may receive a property tax credit equaling 20 percent of the County tax bill. *See* Property Tax Credit for Elderly Individuals and for Military Retirees (montgomerycountymd.gov)

## **BILL SPECIFICS**

The bill would expand eligibility for the County's property tax credit for individuals 65 and above, and for military service members and their spouses, in several ways. First, the bill would expand eligibility to certain disabled veterans and their surviving spouses. (Lines 51-60).

Second, the bill would allow individuals to qualify for the credit if the assessed value of their home does not exceed \$899,999 (which would be increased annually based upon inflation). (Lines 18-23). Currently, the maximum assessed value associated with the credit is \$700,000 for individuals 65 and older and \$599,000 for retired military members and their surviving spouses.

The bill also would increase the number of years an individual may qualify for the credit from 7 to 10 years. (Lines 72-73). Under the bill, the amount of time an individual 65 or older would have to reside in a home in order to qualify for the credit would be reduced from 40 to 25 years. (Lines 31-32).

In addition, the bill would alter the amount of the credit based upon income. Currently, the amount of the credit is 20 percent of the County property tax imposed on the home. Under the bill, the credit amounts would be:

- if the annual income of the applicant is equal to or less than \$90,000, 20 percent of the County property tax imposed on the dwelling;
- if the annual income of the applicant is equal to or less than \$75,000, 35 percent of the County property tax imposed on the dwelling; and
- if the annual income of the applicant is equal to or less than \$50,000, 50 percent of the County property tax imposed on the dwelling.

The bill is enabled by, and consistent with, Maryland law (Section 9-258 of the Tax-Property Article of the Maryland Code). Current recipients of the tax credit would be "grandfathered" into the amended law; their credits would not be diminished by the bill.

This packet contains:	Circle #
Bill 45-23	1
Racial Equity and Social Justice Impact Statement	6
Climate Assessment	11

Bill No.	45-23			
Concerning: F	Property	Tax	Credi	t –
Individuals	65 and	Abov	ve, Re	etired
Military	Service	Meml	oers,	and
Disabled N	<b>Military Ser</b>	vice N	<u>/lembe</u>	rs
Revised: 12/	/12/2023	Dr	aft No.	3
Introduced:	Decembe	er 12,	2023	
Expires:	Decembe	er 7, 2	026	
Enacted:				
Executive:				
Effective:				
Sunset Date:	None			
Ch la	we of Mon	t Co		

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President Friedson

Co-Sponsors: Councilmembers Albornoz, Fani-Gonzalez, Luedtke, Balcombe, Sayles, and Katz

## AN ACT to:

- (1) alter the eligibility criteria for the property tax credit available to individuals 65 and above, and to retired or disabled military service members and their spouses;
- (2) alter the amounts of the property tax credit; and
- (3) generally amend the property tax credit for individuals 65 and above and for retired or disabled military service members and their spouses.

## By amending

Montgomery County Code Chapter 52, Taxation Section 52-110

Boldface	Heading or defined term.
<u>Underlining</u>	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:

1	Sec. 1	1. Section 52-110 is amended as follows:
2	52-110. Pro	operty tax credit — individuals 65 and above; [and] retired military
3	[services] <u>s</u>	ervice members; and disabled military service members.
4	(a)	Definitions. In this Section, the following words have the meanings
5		indicated:
6		Annual income means the gross annual income of a tax filer, as
7		reported to the State of Maryland on a Maryland income tax return.
8		CPI means the Consumer Price Index for All Urban Consumers (CPI-
9		<u>U) for the Washington-Arlington-Alexandria Core Based Statistical</u>
10		Area (CBSA), as published by the United States Department of Labor,
11		Bureau of Labor Statistics, issued immediately prior to the adoption by
12		the Council of tax levies for the ensuing fiscal year.
13		Department means the Department of Finance.
14		Director means the Director of the Department or the Director's
15		designee.
16		Dwelling has the same meaning as in § 9-105 of the Tax-Property
17		Article of the Maryland Code.
18		Qualifying amount means:
19		(1) for the 2023 tax year, \$899,900;
20		(2) for each subsequent tax year, the qualifying amount of the prior
21		tax year, increased by the lesser of:
22		(A) 5 percent; or
23		(B) the CPI.
24		Service-connected disability means a disability confirmed by a rating
25		decision of the U.S. Department of Veterans Affairs.

26	(b)	Credi	it. As a	authorized by § 9-258 of the Tax-Property Article of the
27		Mary	land C	ode, an eligible individual may receive a credit against the
28		Coun	ty prop	perty tax imposed on the dwelling of an eligible individual.
29	(c)	Eligil	bility. 1	An individual is eligible to receive a property tax credit if:
30		(1)	(A)	the individual is at least 65 years old;
31			(B)	the individual has lived in the same dwelling for at least
32				the preceding [40 years] 25 years; and
33			(C)	the dwelling for which a property tax credit is sought has
34				a maximum assessed value of [\$700,000] the qualifying
35				amount at the time the individual first applied for the
36				credit;
37		(2)	(A)	the individual is at least 65 years old;
38			(B)	the individual is a retired member of the uniformed
39				services of the United States as defined in 10 U.S.C.
40				§101, the military reserves, or the national guard; and
41			(C)	the dwelling for which a property tax credit is sought has
42				a maximum assessed value of [\$550,000] the qualifying
43				amount at the time the individual first applied for the
44				credit; [or]
45		(3)	(A)	the individual is a surviving spouse of a retired member
46				of the uniformed services of the United States as defined
47				in 10 U.S.C. §101, the military reserves, or the national
48				guard;
49			(B)	the surviving spouse is at least 65 years old; and
50			(C)	the surviving spouse has not remarried;
51		<u>(4)</u>	the in	dividual:

52		<u>(A)</u>	is an active duty, retired, or honorably discharged
53			member of the uniformed services of the United States as
54			defined in 10 U.S.C. § 101, the military reserves, or the
55			national guard; and
56		<u>(B)</u>	has a service-connected disability; or
57	<u>(5)</u>	the in	ndividual:
58		<u>(A)</u>	is a surviving spouse of an individual described under
59			paragraph (4); and
60		<u>(B)</u>	has not remarried.
61	(d) Amour	nt and	duration of credit.
62	(1)	The	credit allowed under this Section is:
63		<u>(A)</u>	if the annual income of the applicant is equal to or less
64			than \$90,000, [20%] 20 percent of the County property
65			tax imposed on the dwelling;
66		<u>(B)</u>	if the annual income of the applicant is equal to or less
67			than \$75,000, 35 percent of the County property tax
68			imposed on the dwelling; and
69		<u>(C)</u>	if the annual income of the applicant is equal to or less
70			than \$50,000, 50 percent of the County property tax
71			imposed on the dwelling.
72	(2)	The	credit must be granted each year for [[7 years]] 10 years if
73		the in	ndividual remains eligible for the credit.
74	(e) Applic	ation.	
75	(1)	A pr	operty owner must submit an application to the Director on
76		or be	efore April 1 before the tax year that the individual [first]
77		seeks	s to receive the credit. An annual application is [not]
78		requi	ired for an individual to receive the credit.

79		2) An ap	plicat	ion must	•				
80		(A)	be on	the form	that the Di	rector	requir	es; and	
81		(B)	demo	onstrate th	nat the taxpa	ayer is	entitle	ed to the cred	it.
82	(f) $R$	egulations.	The	County	Executive	may	issue	regulations	under
83	N	Method 2 to	admi	nister this	s tax credit.				
84	Sec. 2.	This Act	must	not affe	ct any tax	credit	applie	ed for prior	to the
85	effective date	of this Act.	ı						

## Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 45-23: PROPERTY TAX CREDIT – INDIVIDUALS 65 AND ABOVE,

RETIRED MILITARY SERVICE MEMBERS, AND DISABLED

MILITARY SERVICE MEMBERS

## **SUMMARY**

The Office of Legislative Oversight (OLO) anticipates Bill 45-23 will have a negative impact on racial equity and social justice (RESJ) in the County. Changes proposed through the Bill could help extend eligibility for the Property Tax Credit for Elderly Individuals and Military Retirees to Black, Indigenous, and Other People of Color (BIPOC) homeowners. However, estimates suggest the program will likely continue to primarily benefit a subset of County constituents who are disproportionately White. OLO offers one policy option for Council consideration.

## **PURPOSE OF RESJ IMPACT STATEMENTS**

The purpose of RESJ impact statements (RESJIS) is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.<sup>1</sup> Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.<sup>2</sup>

## **PURPOSE OF BILL 45-23**

Since July 2017, the County has provided certain senior community members and military retirees a 20-percent property tax credit through the Property Tax Credit for Elderly Individuals and Military Retirees Program.<sup>3</sup> Through the program, the County reduces total annual housing costs for certain senior residents and may help some of them "age in place."<sup>4</sup> The property tax credit program also reduces tax revenue available to support other policy goals.<sup>5</sup>

Since establishing the Property Tax Credit for Elderly Individuals and Military Retirees Program, the Maryland General Assembly and Council have made significant legislative changes. According to the 2023 OLO Report, "Senior Property Tax Credits:"

- Changes to state law generally have expanded the program to more homeowners and given local governments in the state more authority to determine their program's conditions.
- Changes to Montgomery County law expanded the program to more homeowners, but not to the full extent authorized under state law. The changes also made the process of applying for the credit less onerous on program participants.

Table A in the Appendix outlines the current status of the program in County and state law.

The goal of Bill 45-23 is to help "older residents and retired military service members and their spouses age in place in Montgomery County." If enacted, Bill 45-23 would make the following changes to the Property Tax Credit for Elderly Individuals and Military Retirees Program:8

Office of Legislative Oversight

January 5, 2024

Bill 45-23

- Expand the eligibility criteria for the property tax credit to certain disabled veterans and their surviving spouses.
- Expand the eligibility criteria for the credit based on the assessed value of an individual's home. The limit would increase from \$700,000 for people 65 and older and \$599,000 for retired military members and their surviving spouse to \$899,999, which would increase annually based on inflation.
- Increase the number of years an individual may qualify for the credit from 7 to 10 years.
- Reduce the time an individual must reside in a home to qualify from 40 to 25 years.
- Alter the amount of the property tax credit based on an applicant's income. The credit would be up to 50% of the County property tax for individuals with an annual income of \$50,000 or less.

The Council introduced Bill 45-23, Property Tax Credit – Individuals 65 and Above, Retired Military Service Members, and Disabled Military Service Members, on December 12, 2023.

In June 2022, OLO published a RESJIS for Expedited Bill 9-22, Property Tax Credit – Elderly Individuals and Retired Military Services Members – Amendments. Please refer to this RESJIS for background on homeownership, senior and veteran constituents, and racial equity.

## **ANTICIPATED RESJ IMPACTS**

As discussed in the RESJIS for Bills 9-22 and 1-23, White homeowners are likely the primary beneficiaries of the Property Tax Credit for Elderly Individuals and Military Retirees Program.<sup>10</sup> To consider the anticipated impact of Bill 45-23 on RESJ in the County, OLO considered two provisions in the Bill that could particularly impact BIPOC homeowners ages 65 and older.

- Reducing residency requirement for property tax credit from 40 years to 25 years. Because of racial inequities in employment, wealth, and mortgage lending,<sup>11</sup> it is less likely for BIPOC homeowners to have lived in the same home for 40 or more years. Thus, reducing the residency requirement to 25 years will likely help extend the property tax credit to BIPOC homeowners.
  - While reducing the residency requirement will likely increase the racial and ethnic diversity of property tax credit recipients, overall program participation is likely to remain disproportionately White. OLO approximated property tax credit recipients by race and ethnicity based on Census estimates of homeowners 65 and older who have lived in their homes for at least 20 years. The estimates summarized in Table 1 suggest, relative to the County's overall population and the population of people age 65 and older, White people would be overrepresented among property tax credit recipients. Conversely, Black, Latinx, and Asian people would be underrepresented among property tax credit recipients.

Bill 45-23

Table 1. Property Tax Credit Recipients, County Population, and County Population 65 and Older by Race and Ethnicity<sup>12</sup>

Race and ethnicity	Percent of Property Tax Credit Recipients	Percent of County Population	Percent of County Population 65 and Older
Asian	9.9	15.2	15.3
Black	8.4	18.4	13.2
White	73.3	48.8	63.4
Latinx	6.2	19.7	9.0

Source: OLO Analysis of Census Microdata and Table S0103, 2021 American Community Survey 5-Year Estimates, Census Bureau.

• Increasing the property tax credit amount for lower-income recipients. Because of racial inequities in economic security, <sup>13,14</sup> Black, Latinx, and Native American community members are more likely to have lower incomes. <sup>15</sup> Thus, BIPOC who qualify for the property tax credit could particularly benefit from a higher credit amount based on income. However, because overall program participation is likely to be disproportionately White, the aggregate monetary benefit of the property tax credit to White recipients will likely exceed the aggregate monetary benefit to BIPOC recipients. Further, high wealth recipients with lower incomes would also benefit from this provision. As White people are more likely to have higher wealth, <sup>16</sup> this effect would also work to outweigh the aggregate monetary benefit to BIPOC.

OLO anticipates Bill 45-23 will have a negative impact RESJ in the County. Changes proposed through the Bill could help extend eligibility for the Property Tax Credit for Elderly Individuals and Military Retirees to BIPOC homeowners. However, estimates suggest the program will likely continue to primarily benefit a subset of County constituents who are disproportionately White.

### RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.<sup>17</sup> OLO anticipates Bill 45-23 will have a negative impact on RESJ in the County. Should the Council seek to improve the RESJ impact of this Bill, the following policy solution can be considered.

- Consider policy recommendations in County's study of older adult housing needs. In the 2018 Report,
   "Meeting the Housing Needs of Older Adults in Montgomery County," researchers found there is a growing need
   of housing for older adults, including affordable housing for extremely low income and vulnerable seniors. The
   Council could consider policy recommendations outlined in the report, with a focus on strategies that could
   enhance RESJ for senior community members. The report offers recommended strategies for:
  - Producing and preserving housing for older adults with a focus on rental housing;
  - Financial assistance to expand access to affordable housing for seniors;
  - Expanding the supply of housing and availability of neighborhoods that help older adults age in place;
     and
  - Other services and programs that provide essential support in meeting the housing needs of all older adults in the County.

Bill 45-23

## **CAVEATS**

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

## **CONTRIBUTIONS**

OLO staffer Janmarie Peña, Performance Management and Data Analyst, drafted this RESJ impact statement.

## **APPENDIX**

Table A. Status of the Property Tax Credit for Elderly Individuals and Military Retirees Program in County and State Law

Program Condition	Current County Law	Current State Law				
Eligibility Group/ Minimum Age	<ul><li>(a) Elderly (age 65+)</li><li>(b) Military Retirees (age 65+)</li><li>(c) Surviving Spouses of Military Retirees (age 65+)</li></ul>	<ul> <li>(a) Elderly (age 65+)</li> <li>(b) Military Retirees (age 65+)</li> <li>(c) Surviving Spouses of Military Retirees (age 65+)</li> <li>(d) Disabled Military</li> <li>(e) Surviving Spouses of Disabled Military</li> </ul>				
Minimum Residency	40 years for Elderly	up to County				
Limit on Assessed Value	<ul><li>\$700,000 for Elderly</li><li>\$550,000 for Military Retirees</li></ul>	up to County				
Amount of Tax Relief	20%	up to County				
Duration of Tax Relief	7 years	up to County				
Application Frequency	Once	up to County				
Additional Eligibility Criteria						
• Income Limit	none	up to County				
Net Worth Limit	none	up to County				

Source: Blaise DeFazio and Stephen Roblin, "Senior Property Tax Credits."

Bill 45-23

<sup>&</sup>lt;sup>1</sup> Definition of racial equity and social justice adopted from "Applying a Racial Equity Lens into Federal Nutrition Programs" by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools. https://www.racialequitytools.org/glossary <sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> Blaise DeFazio and Stephen Roblin, "Senior Property Tax Credits," Office of Legislative Oversight, July 25, 2023.

<sup>&</sup>lt;sup>4</sup> The Centers for Disease Control and Prevention (CDC) defines "aging in place" as "[t]he ability to live in one's own home and community safely, independently, and comfortably, regardless of age, income, or ability level." From <u>Health Places Terminology</u>, CDC, Last Reviewed October 15, 2009.

<sup>&</sup>lt;sup>5</sup> DeFazio and Roblin

<sup>&</sup>lt;sup>6</sup> Ibid.

<sup>&</sup>lt;sup>7</sup> <u>"Council President Friedson Introduces Legislation to Expand County Property Tax Credit for Older Adults,"</u> Montgomery County Council, December 12, 2023.

<sup>&</sup>lt;sup>8</sup> Introduction Staff Report for Bill 45-23, Montgomery County Council, Introduced December 12, 2023.

<sup>&</sup>lt;sup>9</sup> RESJIS for Expedited Bill 9-22, Office of Legislative Oversight, August 22, 2022.

<sup>&</sup>lt;sup>10</sup> RESJIS for Bill 1-23, Office of Legislative Oversight, January 27, 2023.

<sup>&</sup>lt;sup>11</sup> Siyan Liu and Laura D. Quinby, <u>"What Drives the Racial Housing Wealth Gap for Older Homeowners?"</u> Center for Retirement Research, Boston College, March 28, 2023.

<sup>&</sup>lt;sup>12</sup> Latinx people are included in multiple racial groups throughout this impact statement, unless where otherwise noted. Estimates for Native American and Pacific Islander community members are not available for all data points presented in impact statement.

<sup>13</sup> Kilolo Kijakazi, et. al., "The Color of Wealth in the Nation's Capital," Urban Institute, November 1, 2016.

<sup>&</sup>lt;sup>14</sup> "Turning the Floodlights on the Root Causes of Today's Racialized Economic Disparities," Federal Reserve Bank of Boston, 2020.

<sup>&</sup>lt;sup>15</sup> Table S1903: Median Income in the Past 12 Months, 2022 American Community Survey 5-Year Estimates, Census Bureau.

<sup>&</sup>lt;sup>16</sup> Kijakazi, et. al.

<sup>&</sup>lt;sup>17</sup> Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council

<sup>&</sup>lt;sup>18</sup> "Meeting the Housing Needs of Older Adults in Montgomery County," Montgomery County Planning Department, May 2018.

## **Climate Assessment**

Office of Legislative Oversight

# Bill 45-23: Property Tax Credit – Individuals 65 and Above, Retired Military Service Members and Disabled Military Service Members

## **SUMMARY**

The Office of Legislative Oversight (OLO) anticipates Bill 45-23 will have no impact on the County's contribution to addressing climate change as the bill proposes changes to an existing property tax credit that a small number of County residents qualify for.

## **BACKGROUND AND PURPOSE OF BILL 45-23**

A property tax credit reduces a property owner's tax obligation. Property tax credits benefit eligible homeowners and can be used by policymakers to encourage beneficial behaviors. Property tax credits also reduce tax revenue available to support other competing public goods.<sup>1</sup>

In March 2017, the Council passed Bill 42-16, Taxation – Property Tax Credit – Elderly Individuals and Veterans, which created a property tax credit for certain individuals over the age of 65 and retired military services members. The bill established a 20 percent property tax credit for five consecutive years, for residents who are over the age of 65 and/or are veterans and have lived in their homes for at least 40 years.<sup>2</sup>

Bill 45-23 would expand eligibility and alter the amount of tax credit based upon income. Specifically, the bill would:

- Expand the eligibility criteria for the property tax credit available to certain disabled veterans and their surviving spouses;
- Expand the eligibility criteria for the credit based on the assessed value of an individual's home (from \$700,000 for individuals 65 and older and \$599,000 for retired military members and their surviving spouse to \$899,999, which would be increased annually based on inflation)
- Increase the number of years an individual may qualify for the credit from 7 to 10 years and reduce the amount of time an individual must reside in a home to qualify for the credit from 40 to 25 years; and
- Alter the amounts of the property tax credit based upon the applicant's income, up to 50% of the County property tax for individuals with an annual income of \$50,000 or less.<sup>3</sup>

Bill 45-23, Property Tax Credit – Individuals 65 and Above, Retired Military Service Members, was introduced by the Council on December 5<sup>th</sup>, 2023.

## **ANTICIPATED IMPACTS**

As the bill proposes changes to an existing tax credit program that a small number of County residents qualify for, OLO anticipates Bill 45-23 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

## **RECOMMENDED AMENDMENTS**

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.<sup>4</sup> OLO does not offer recommendations or amendments as Bill 45-23 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

## **CAVEATS**

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

## **PURPOSE OF CLIMATE ASSESSMENTS**

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

## **CONTRIBUTIONS**

OLO staffer Kaitlyn Simmons drafted this assessment.

<sup>&</sup>lt;sup>1</sup> Policy Basics: Tax Exemptions, Deductions, and Credits, Center on Budget and Policy Priorities, November 2020.

<sup>&</sup>lt;sup>2</sup> <u>Bill 42-16, Taxation - Property Tax Credit - Elderly Individuals and Veterans</u>, Montgomery Council, Effective Date March 17, 2017.

<sup>&</sup>lt;sup>3</sup> Introduction Staff Report for Bill 45-23, Property Tax Credit - Individuals 65 and Above, Retired Military Service Members, Montgomery Council, Introduced December 5<sup>th</sup>, 2023.

<sup>&</sup>lt;sup>4</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery Council, Effective date October 24, 2022