

Clerk's note: On line 74, the period following "resolution" was underlined for addition to the code.

Bill No. 3-25
Concerning: Homeowners' Property Tax
Credit – County Supplement –
Amendments
Revised: 2/11/2025 Draft No. 2
Introduced: February 11, 2025
Enacted: April 1, 2025
Executive: April 14, 2025
Effective: July 14, 2025
Sunset Date: _____
Ch. 8, Laws of Mont. Co. 2025

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Government Operations and Fiscal Policy Committee
Co-Sponsors: Councilmembers Glass, Luedtke, Balcombe, Sayles, Fani-González, and Albornoz

AN ACT to:

- (1) alter eligibility requirements to receive the County's supplement to the Homeowners' Tax Credit;
- (2) alter the amounts of the County's supplement to the Homeowners' Tax Credit; and
- (3) generally amend tax credits available to County residents.

By amending

Montgomery County Code
Chapter 52, Taxation
Section 52-85

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:

Sec. 1. Section 52-85 is amended as follows:

52-85. Homeowners property tax credit.

(a) *Definitions.* In this section, the following words have the meanings indicated.

(1) The following words have the meanings defined in Section 9-104 of the Tax- Property Article of the Maryland Code:

(A) combined income;

(B) dwelling;

(C) gross income;

(D) homeowner;

(E) home purchaser; and

(F) legal interest.

(2) *Assessed value* means the adjusted value to which the property tax rate is applied.

(3) *Consumer Price Index* means the Consumer Price Index for All Urban Consumers (CPI-U) for the Washington-Arlington-Alexandria Core Based Statistical Area (CBSA), as published by the United States Department of Labor, Bureau of Labor Statistics, or a successor index.

[(3)] (4) *Director* means the Director of the Department of Finance or the Director's designee.

[(4)] (5) *Final tax liability* means the tax liability for any property tax on the real property of a dwelling less any property tax credit provided under Section 9-104 and any supplemental property tax credit provided under this section.

[(5)] (6) *Section 9-104* means Section 9-104 of the Tax-Property Article of the Maryland Code or any successor provision.

28 ~~[(6)]~~ (7) *Total real property tax* means the product of the sum of all
 29 property tax rates on real property, including special service area
 30 rates, but not including State and municipal district rates, for the
 31 taxable year on a dwelling, multiplied by the lesser of:
 32 (A) ~~[\$300,000]~~ \$375,000; or
 33 (B) the assessed value of the dwelling reduced by the amount
 34 of any assessment on which a property tax credit is granted
 35 under Section 9-105; and reduced by and any “save
 36 harmless” credit mandated under Section 9-101 of the
 37 Tax-Property Article of the Maryland Code.

38 (b) *General.*

39 (1) The Director must provide to homeowners a County property tax
 40 credit to supplement the State property tax credit granted under
 41 Section 9-104.

42 (2) Except as otherwise expressly stated in this section or an
 43 executive regulation, all eligibility requirements, statutory
 44 definitions, restrictions, and application or other procedures
 45 which apply to the credit granted under Section 9-104 also apply
 46 to the County supplemental property tax credit.

47 (3) *Eligibility.* A property tax credit under this Section must not be
 48 granted to a homeowner:

- 49 (A) whose combined net worth exceeds \$250,000 as of
 50 December 31 of the calendar year that precedes the year in
 51 which the homeowner applies for the property tax credit; or
 52 (B) whose combined gross income exceeds \$75,000 in that
 53 same calendar year.

54 (c) *Amount.*

(1) The County supplemental property tax credit is the total real property tax on a dwelling, less:

(A) the percentage of the combined gross income of the homeowner calculated under paragraph (2), and

(B) the property tax credit granted under Section 9-104.

(2) The allowable percentage of combined gross income is:

(A) 0[%] percent of the first [\$20,000] \$25,000;

(B) 2[%] percent of the next [\$6,000] \$7,500;

(C) 5[%] percent of the next [\$7,000] \$10,000;

(D) 6.5[%] percent of the next [\$8,500] \$10,000; and

(E) 8[%] percent of any combined gross income over [\$41,500] \$52,500.

(3) The property tax credit for home purchasers is the amount of the credit as calculated under paragraph (1) multiplied by a fraction where the numerator of the fraction is the number of days in the taxable year that the home purchaser actually occupies or expects to actually occupy a dwelling in which the home purchaser has a legal interest, and the denominator is 365 days.

(d) Adjustments to amounts.

(1) Adjustments by Council resolution. The Council annually, by resolution adopted not later than June 1, may vary either or both:

[(1)] (A) the specific dollar amount referred to in subsection [(a)(6)] (a)(7); or

[(2)] (B) the allowable percentage of combined gross income under subsection (c)(2).

(2) Consumer price index adjustments.

(A) Effective July 1, 2026 and July 1 of each subsequent year, the Chief Administrative Officer must adjust each specific dollar amount under subsections (a)(7), (b)(3), and (c)(2).

(B) The Chief Administrative Officer must calculate each adjusted amount to the nearest multiple of \$10.

(C) The adjusted amount must be equal to the current amount multiplied by the outcome of the most recent published Consumer Price Index at the time of the adjustment divided by the annual value of the Consumer Price Index from the year prior to the current year.

(D) The Chief Administrative Officer must, by March 1 of the year preceding an adjustment, publish the adjusted amounts:

(i) in the County Register; and

(ii) on the County website.

(e) *Administration.* Administrative duties are performed by the Director, and by the State Department of Assessments and Taxation as provided in Section 9-104 and Section 9-215 of the Tax-Property Article of the Maryland Code. If a credit is granted under this section, a revised tax bill or a tax voucher may be used to adjust the final tax liability.

(f) *Regulations.* The County Executive may adopt regulations under Method (2) to administer this section.

(g) *Penalties for false and fraudulent information.* A person who knowingly submits a false or fraudulent application, or withholds information, to obtain a tax credit under this section has committed a Class A violation. In addition, the person must repay the County for all amounts credited and all accrued interest and penalties that would apply

108 to those amounts as overdue taxes. The County may enforce this
109 subsection by appropriate legal action. A person who violates this
110 subsection is liable for all court costs and expenses of the County in any
111 civil action brought by the County against the violator.

- 112 (h) *Annual report.* The Executive must submit an annual report to the
113 County Council by March 15 of each year describing program
114 participation in the current tax year by income of taxpayers, number
115 and dollar value of tax credits granted under this section, administrative
116 costs, and other relevant information. This report may be contained in
117 the Executive's recommended operating budget for the next fiscal year.

Approved:



April 1, 2025

Kate Stewart, President, County Council

Date

Approved:



April 14, 2025

Marc Elrich, County Executive

Date

This is a correct copy of Council action.



April 14, 2025

Sara R. Tenenbaum, Clerk of the Council

Date