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| Subject: Expedited Bill 21-19, Property tax credit - elderly individuals and retired military services member – surviving spouse | |
| Purpose: To introduce agenda item – no vote expected | |
| Analyst: Amanda Mihill, Legislative Attorney <i>A. Mihill</i> | Committee: Choose an item. |
| Keywords: #SurvivingSpousesTaxCredit Other Search Terms: tax credit, surviving spouses, property tax credit, elderly individuals, retired military service members | |

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATIONS

None

DESCRIPTION/ISSUE

Expedited Bill 21-19 would expand the property tax credit for surviving spouses of retired military services members.

SUMMARY OF KEY DISCUSSION POINTS

None

This report contains:

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| Expedited Bill 21-19 | ©1 |
| Legislative Request Report | ©3 |
| State law | ©4 |

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MEMORANDUM

June 21, 2019

TO: County Council

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

SUBJECT: Expedited Bill 21-19, Property tax credit - elderly individuals and retired military services member – surviving spouse

PURPOSE: Introduction – no Council vote required

Expedited Bill 21-19, Property tax credit - elderly individuals and retired military services member – surviving spouse, sponsored by Lead Sponsors Councilmember Rice and Council Vice President Katz and Co-Sponsor Council President Navarro, is scheduled to be introduced on June 25. A public hearing is tentatively scheduled for July 16 at 1:30 p.m.¹

Bill 21-19 would expand the property tax credit for surviving spouses of retired military services members. The bill would implement changes to the state enabling law made during the 2019 General Assembly session. Under Bill 21-19, a surviving spouse would be eligible for the credit if:

- the individual is a surviving spouse of a retired member of the uniformed services, the military reserves, or the national guard;
- the surviving spouse is at least 65 years old; and
- the surviving spouse has not remarried.

| This packet contains: | <u>Circle #</u> |
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¹ #SurvivingSpousesTaxCredit

Expedited Bill No. 21-19
Concerning: Property tax credit -
elderly individuals and retired military
services member – surviving spouse
Revised: 6/20/2019 Draft No. 3
Introduced: June 25, 2019
Expires: December 26, 2020
Enacted: _____
Executive: _____
Effective: July 1, 2019
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Councilmember Rice and Council Vice President Katz
Co-Sponsor: Council President Navarro

AN EXPEDITED ACT to:

- (1) expand the property tax credit for surviving spouses of 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:

LEGISLATIVE REQUEST REPORT
Expedited Bill 21-19

Property tax credit - elderly individuals and retired military services member – surviving spouse

DESCRIPTION: Expedited Bill 21-19 would expand the property tax credit for surviving spouses of retired military services members.

PROBLEM: State law authorizes a tax credit for surviving spouses of retired uniformed services members, military reserves, or national guard, but the County has not implemented recent updates to the state enabling law.

GOALS AND OBJECTIVES: To implement changes to the state enabling law made during the 2019 General Assembly session.

COORDINATION:

FISCAL IMPACT: To be requested

ECONOMIC IMPACT: To be requested

EVALUATION: To be requested

EXPERIENCE ELSEWHERE: To be researched

SOURCES OF INFORMATION: Amanda Mihill, Legislative Attorney, 240-777-7815

APPLICATION WITHIN MUNICIPALITIES: To be researched

PENALTIES: n/a

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Chapter 36

(Senate Bill 816)

AN ACT concerning

Property Tax Credit – Surviving Spouse of Veteran

FOR the purpose of altering eligibility for a credit authorized against the county or municipal corporation property tax for the surviving spouses of certain retired veterans; providing that certain surviving spouses who are under a certain age may continue to receive the tax credit if the surviving spouses qualified for and received the tax credit before a certain date; providing for the application of this Act; and generally relating to eligibility for a property tax credit for the surviving spouses of certain veterans.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 9–258
Annotated Code of Maryland
(2012 Replacement Volume and 2018 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Tax – Property

9–258.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Dwelling” has the meaning stated in § 9–105 of this title.
- (3) “Eligible individual” means:

(i) an individual who is at least 65 years old and has lived in the same dwelling for at least the preceding 40 years;

(ii) an individual who is at least 65 years old and 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; or

(iii) a surviving spouse, who **IS AT LEAST 65 YEARS OLD AND** has not remarried, of [an individual described in item (ii) of this paragraph] **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.**

(b) The Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation may grant, by law, a property tax credit under this section against the county or municipal corporation property tax imposed on the dwelling of an eligible individual.

(c) The property tax credit allowed under this section may:

(1) not exceed 20% of the county or municipal corporation property tax imposed on the property; and

(2) be granted for a period of up to 5 years.

(d) The Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation may provide, by law, for:

(1) the maximum assessed value of a dwelling that is eligible for the tax credit under this section;

(2) additional eligibility criteria for the tax credit under this section;

(3) regulations and procedures for the application and uniform processing of requests for the tax credit; and

(4) any other provision necessary to carry out the tax credit under this section.

SECTION 2. AND BE IT FURTHER ENACTED, That a surviving spouse, who is under the age of 65 years and has not remarried, of 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, may continue to receive the tax credit under § 9-258 of the Tax – Property Article as enacted by Section 1 of this Act if the surviving spouse qualified for and received the tax credit before June 1, 2019.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2019, and shall be applicable to all taxable years beginning after June 30, 2019.

Approved by the Governor, April 18, 2019.