

SENATE BILL 623

Q2

5lr2298

By: **Senators Currie, Benson, Peters, and Rosapepe**

Introduced and read first time: February 6, 2015

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 19, 2015

CHAPTER _____

1 AN ACT concerning

2 **Prince George's County – Property Tax Deferrals – Elderly and Disabled**
3 **Homeowners**

4 FOR the purpose of requiring that, in Prince George's County, a certain rate of interest
5 shall be paid on certain county property tax payment deferrals; requiring the
6 governing body of Prince George's County to establish and promote a certain public
7 awareness campaign related to certain property tax deferral programs; authorizing
8 the governing body of Prince George's County to provide, by law, a certain payment
9 deferral of the county property tax for certain residential real property; requiring the
10 governing body of Prince George's County under certain circumstances to specify the
11 duration and certain amounts, ~~restrictions, and income eligibility requirements~~ and
12 restrictions for the payment deferral; requiring the payment of certain deferred
13 property taxes under certain circumstances; requiring the governing body of Prince
14 George's County under certain circumstances to provide certain information in a
15 taxpayer's annual property tax bill; requiring that a payment deferral be authorized
16 by a certain written agreement to be recorded in certain land records; providing for
17 a certain lien attachment under certain circumstances; prohibiting the charging of
18 certain penalties during a certain period of time; defining a certain term; providing
19 for the application of this Act; and generally relating to property tax deferrals in
20 Prince George's County for certain residential real property.

21 BY repealing and reenacting, with amendments,

22 Article – Tax – Property

23 Section 10–204

24 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2012 Replacement Volume and 2014 Supplement)

2 BY adding to

3 Article – Tax – Property

4 Section 10–204.7

5 Annotated Code of Maryland

6 (2012 Replacement Volume and 2014 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

8 That the Laws of Maryland read as follows:

9 **Article – Tax – Property**

10 10–204.

11 (a) Notwithstanding Subtitle 1 of this title, the governing body of a county may
12 authorize, by law, a payment deferral of county property tax for residential real property
13 occupied as the principal residence of the owner.

14 (b) An owner is eligible for a payment deferral under subsection (a) of this section
15 if the owner or at least 1 of the owners:

16 (1) has resided in the dwelling for a period of at least 5 consecutive years;

17 (2) (i) is at least 65 years of age;

18 (ii) has been found permanently and totally disabled and has
19 qualified for benefits under:

20 1. the Social Security Act;

21 2. the Railroad Retirement Act;

22 3. any federal act for members of the United States armed
23 forces; or

24 4. any federal retirement system; or

25 (iii) has been found permanently and totally disabled by a county
26 health officer or the Baltimore City Commissioner of Health; and

27 (3) meets the income eligibility requirements determined under subsection
28 (c) of this section.

29 (c) The governing body of a county that authorizes a payment deferral under
30 subsection (a) of this section shall specify:

1 (1) the amount of the tax that may be deferred, not exceeding the increase
2 in the county property tax from the date the taxpayer elects to defer the payment of the
3 tax;

4 (2) restrictions on the amount of the real property eligible for a payment
5 deferral under subsection (a) of this section, except that the amount of eligible property
6 may not be less than the dwelling and curtilage, as determined by the supervisor;

7 (3) the duration of the payment deferral under subsection (a) of this
8 section;

9 (4) the rate of interest to be paid on the county property tax payment from
10 the due date without a deferral until the date that the county property tax is paid, **EXCEPT**
11 **THAT IN PRINCE GEORGE'S COUNTY THE RATE OF INTEREST SHALL BE 4%**;

12 (5) that any mortgagee or beneficiary under a deed of trust be entitled to
13 receive notice of the deferral and of the amount of tax to be deferred; and

14 (6) the level of income to determine eligibility for the payment deferral
15 under subsection (a) of this section.

16 (d) The county property tax that is deferred under this section and any interest
17 specified in the law authorizing the deferral are due when the deferral ends as specified in
18 the law authorizing the deferral.

19 (e) The governing body of a county that authorizes a payment deferral under
20 subsection (a) of this section shall specify the cumulative amount of the deferral and related
21 interest in the taxpayer's annual property tax bill.

22 (f) A lien shall attach to the property in the amount of all deferred taxes and
23 interest. The lien shall remain attached until the deferred taxes and interest are paid.

24 (g) The governing body of a county that authorizes a payment deferral under
25 subsection (a) of this section shall authorize the deferral by written agreement. The
26 agreement shall reflect the terms and conditions of the deferral including notice of the lien.
27 The agreement shall be recorded in the land records of the county.

28 **(H) (1) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL**
29 **ESTABLISH AND PROMOTE A COUNTYWIDE PUBLIC INFORMATION, AWARENESS, AND**
30 **EDUCATION CAMPAIGN ON THE PROPERTY TAX DEFERRAL AVAILABLE UNDER THIS**
31 **SECTION.**

32 **(2) THE CAMPAIGN UNDER PARAGRAPH (1) OF THIS SUBSECTION**
33 **SHALL DISSEMINATE INFORMATION ABOUT THE PROPERTY TAX DEFERRAL**
34 **THROUGH WRITTEN NOTICE IN THE ANNUAL PROPERTY TAX BILL, PUBLICATION ON**
35 **THE APPROPRIATE COUNTY WEB SITES, POSTERS, AND ANY OTHER MEDIUM LIKELY**

1 TO REACH RESIDENT TAXPAYERS WHO MAY BE ELIGIBLE FOR THE DEFERRAL
2 PROGRAM UNDER THIS SECTION.

3 [h] (I) Penalties may not be charged during the period of the deferral on any
4 tax payments deferred under this section.

5 10-204.7.

6 (A) IN THIS SECTION, "GROSS INCOME" HAS THE MEANING STATED IN §
7 9-102 OF THIS ARTICLE.

8 ~~(A)~~ (B) NOTWITHSTANDING SUBTITLE 1 OF THIS TITLE, THE GOVERNING
9 BODY OF PRINCE GEORGE'S COUNTY MAY AUTHORIZE, BY LAW, A PAYMENT
10 DEFERRAL OF COUNTY PROPERTY TAX FOR RESIDENTIAL REAL PROPERTY
11 OCCUPIED AS THE PRINCIPAL RESIDENCE OF THE OWNER.

12 ~~(B)~~ (C) AN OWNER IS ELIGIBLE FOR A PAYMENT DEFERRAL UNDER
13 SUBSECTION ~~(A)~~ (B) OF THIS SECTION IF:

14 (1) THE OWNER OR AT LEAST ONE OF THE OWNERS:

15 ~~(1)~~ (I) HAS RESIDED IN THE DWELLING FOR A PERIOD OF AT LEAST
16 5 CONSECUTIVE YEARS; AND

17 ~~(2)~~ (II) IS AT LEAST 70 YEARS OF AGE; AND

18 ~~(3) MEETS THE INCOME ELIGIBILITY REQUIREMENTS DETERMINED~~
19 ~~UNDER SUBSECTION (C) OF THIS SECTION.~~

20 (2) THE COMBINED GROSS INCOME OF ALL INDIVIDUALS WHO
21 ACTUALLY RESIDE IN THE DWELLING, EXCLUDING AN INDIVIDUAL WHO PAYS A
22 REASONABLE AMOUNT FOR RENT OR ROOM AND BOARD OR IS A DEPENDENT OF A
23 RENTER UNDER § 152 OF THE INTERNAL REVENUE CODE, DOES NOT EXCEED
24 \$45,000.

25 ~~(C)~~ (D) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL
26 SPECIFY:

27 (1) THE AMOUNT OF THE TAX THAT MAY BE DEFERRED;

28 (2) RESTRICTIONS ON THE AMOUNT OF THE REAL PROPERTY
29 ELIGIBLE FOR A PAYMENT DEFERRAL UNDER SUBSECTION ~~(A)~~ (B) OF THIS SECTION,
30 EXCEPT THAT THE AMOUNT OF ELIGIBLE PROPERTY MAY NOT BE LESS THAN THE
31 DWELLING AND CURTILAGE, AS DETERMINED BY THE SUPERVISOR;

1 (3) THE DURATION OF THE PAYMENT DEFERRAL UNDER SUBSECTION
2 ~~(A)~~ (B) OF THIS SECTION;

3 (4) THAT A RATE OF INTEREST OF 4% SHALL BE PAID ON THE COUNTY
4 PROPERTY TAX PAYMENT FROM THE DUE DATE WITHOUT A DEFERRAL UNTIL THE
5 DATE THAT THE COUNTY PROPERTY TAX IS PAID; AND

6 (5) THAT ANY MORTGAGEE OR BENEFICIARY UNDER A DEED OF
7 TRUST BE ENTITLED TO RECEIVE NOTICE OF THE DEFERRAL AND OF THE AMOUNT
8 OF TAX TO BE DEFERRED; ~~AND~~

9 ~~(6) THE LEVEL OF INCOME TO DETERMINE ELIGIBILITY FOR THE
10 PAYMENT DEFERRAL UNDER SUBSECTION (A) OF THIS SECTION.~~

11 ~~(D)~~ (E) THE COUNTY PROPERTY TAX THAT IS DEFERRED UNDER THIS
12 SECTION AND ANY INTEREST SPECIFIED IN THE LAW AUTHORIZING THE DEFERRAL
13 ARE DUE:

14 (1) WHEN THE DEFERRAL ENDS AS SPECIFIED IN SUBSECTION ~~(C)~~(3)
15 (D)(3) OF THIS SECTION;

16 (2) WHEN THE ELIGIBLE OWNER DIES; OR

17 (3) IMMEDIATELY ON TRANSFER OF OWNERSHIP OF THE PROPERTY
18 FOR WHICH THE PROPERTY TAX HAS BEEN DEFERRED.

19 ~~(E)~~ (F) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL
20 SPECIFY THE CUMULATIVE AMOUNT OF THE DEFERRAL AND RELATED INTEREST IN
21 THE TAXPAYER'S ANNUAL PROPERTY TAX BILL.

22 ~~(F)~~ (G) (1) A LIEN SHALL ATTACH TO THE PROPERTY IN THE AMOUNT
23 OF ALL DEFERRED TAXES AND INTEREST.

24 (2) THE LIEN SHALL REMAIN ATTACHED UNTIL THE DEFERRED TAXES
25 AND INTEREST ARE PAID.

26 ~~(G)~~ (H) (1) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY
27 SHALL AUTHORIZE THE DEFERRAL BY WRITTEN AGREEMENT.

28 (2) THE AGREEMENT SHALL REFLECT THE TERMS AND CONDITIONS
29 OF THE DEFERRAL, INCLUDING NOTICE OF THE LIEN.

1 **(3) THE AGREEMENT SHALL BE RECORDED IN THE LAND RECORDS OF**
2 **THE COUNTY.**

3 ~~**(H)**~~ **(I) (1) THE GOVERNING BODY OF PRINCE GEORGE’S COUNTY**
4 **SHALL ESTABLISH AND PROMOTE A COUNTYWIDE PUBLIC INFORMATION,**
5 **AWARENESS, AND EDUCATION CAMPAIGN ON THE PROPERTY TAX DEFERRAL**
6 **AVAILABLE UNDER THIS SECTION.**

7 **(2) THE CAMPAIGN UNDER PARAGRAPH (1) OF THIS SUBSECTION**
8 **SHALL DISSEMINATE INFORMATION ABOUT THE PROPERTY TAX DEFERRAL**
9 **THROUGH WRITTEN NOTICE IN THE ANNUAL PROPERTY TAX BILL, PUBLICATION ON**
10 **THE APPROPRIATE COUNTY WEB SITES, POSTERS, AND ANY OTHER MEDIUM LIKELY**
11 **TO REACH RESIDENT TAXPAYERS WHO MAY BE ELIGIBLE FOR THE DEFERRAL**
12 **PROGRAM UNDER THIS SECTION.**

13 ~~**(H)**~~ **(J) PENALTIES MAY NOT BE CHARGED DURING THE PERIOD OF THE**
14 **DEFERRAL ON ANY TAX PAYMENTS DEFERRED UNDER THIS SECTION.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
16 1, 2015, and shall be applicable to all taxable years beginning after June 30, 2015.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.