

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

A BILL ENTITLED

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 for
12 the payment deferral; requiring the payment of certain deferred property taxes
13 under certain circumstances; requiring the governing body of Prince George's County
14 under certain circumstances to provide certain information in a taxpayer's annual
15 property tax bill; requiring that a payment deferral be authorized by a certain
16 written agreement to be recorded in certain land records; providing for a certain lien
17 attachment under certain circumstances; prohibiting the changing of certain
18 penalties during a certain period of time; providing for the application of this Act;
19 and generally relating to property tax deferrals in Prince George's County for certain
20 residential real property.

21 BY repealing and reenacting, with amendments,
22 Article – Tax – Property
23 Section 10–204
24 Annotated Code of Maryland
25 (2012 Replacement Volume and 2014 Supplement)

26 BY adding to
27 Article – Tax – Property
28 Section 10–204.7
29 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2012 Replacement Volume and 2014 Supplement)

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

Article – Tax – Property

10–204.

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

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

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

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

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

1. the Social Security Act;

2. the Railroad Retirement Act;

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

4. any federal retirement system; or

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

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

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

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

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

4 (3) the duration of the payment deferral under subsection (a) of this
5 section;

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

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

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

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

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

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

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

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

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

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

3 **10-204.7.**

4 **(A) NOTWITHSTANDING SUBTITLE 1 OF THIS TITLE, THE GOVERNING BODY**
5 **OF PRINCE GEORGE'S COUNTY MAY AUTHORIZE, BY LAW, A PAYMENT DEFERRAL OF**
6 **COUNTY PROPERTY TAX FOR RESIDENTIAL REAL PROPERTY OCCUPIED AS THE**
7 **PRINCIPAL RESIDENCE OF THE OWNER.**

8 **(B) AN OWNER IS ELIGIBLE FOR A PAYMENT DEFERRAL UNDER SUBSECTION**
9 **(A) OF THIS SECTION IF THE OWNER OR AT LEAST ONE OF THE OWNERS:**

10 **(1) HAS RESIDED IN THE DWELLING FOR A PERIOD OF AT LEAST 5**
11 **CONSECUTIVE YEARS;**

12 **(2) IS AT LEAST 70 YEARS OF AGE; AND**

13 **(3) MEETS THE INCOME ELIGIBILITY REQUIREMENTS DETERMINED**
14 **UNDER SUBSECTION (C) OF THIS SECTION.**

15 **(C) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL SPECIFY:**

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

17 **(2) RESTRICTIONS ON THE AMOUNT OF THE REAL PROPERTY**
18 **ELIGIBLE FOR A PAYMENT DEFERRAL UNDER SUBSECTION (A) OF THIS SECTION,**
19 **EXCEPT THAT THE AMOUNT OF ELIGIBLE PROPERTY MAY NOT BE LESS THAN THE**
20 **DWELLING AND CURTILAGE, AS DETERMINED BY THE SUPERVISOR;**

21 **(3) THE DURATION OF THE PAYMENT DEFERRAL UNDER SUBSECTION**
22 **(A) OF THIS SECTION;**

23 **(4) THAT A RATE OF INTEREST OF 4% SHALL BE PAID ON THE COUNTY**
24 **PROPERTY TAX PAYMENT FROM THE DUE DATE WITHOUT A DEFERRAL UNTIL THE**
25 **DATE THAT THE COUNTY PROPERTY TAX IS PAID;**

26 **(5) THAT ANY MORTGAGEE OR BENEFICIARY UNDER A DEED OF**
27 **TRUST BE ENTITLED TO RECEIVE NOTICE OF THE DEFERRAL AND OF THE AMOUNT**
28 **OF TAX TO BE DEFERRED; AND**

29 **(6) THE LEVEL OF INCOME TO DETERMINE ELIGIBILITY FOR THE**
30 **PAYMENT DEFERRAL UNDER SUBSECTION (A) OF THIS SECTION.**

1 **(D) THE COUNTY PROPERTY TAX THAT IS DEFERRED UNDER THIS SECTION**
2 **AND ANY INTEREST SPECIFIED IN THE LAW AUTHORIZING THE DEFERRAL ARE DUE:**

3 **(1) WHEN THE DEFERRAL ENDS AS SPECIFIED IN SUBSECTION (C)(3)**
4 **OF THIS SECTION;**

5 **(2) WHEN THE ELIGIBLE OWNER DIES; OR**

6 **(3) IMMEDIATELY ON TRANSFER OF OWNERSHIP OF THE PROPERTY**
7 **FOR WHICH THE PROPERTY TAX HAS BEEN DEFERRED.**

8 **(E) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL SPECIFY**
9 **THE CUMULATIVE AMOUNT OF THE DEFERRAL AND RELATED INTEREST IN THE**
10 **TAXPAYER'S ANNUAL PROPERTY TAX BILL.**

11 **(F) (1) A LIEN SHALL ATTACH TO THE PROPERTY IN THE AMOUNT OF ALL**
12 **DEFERRED TAXES AND INTEREST.**

13 **(2) THE LIEN SHALL REMAIN ATTACHED UNTIL THE DEFERRED TAXES**
14 **AND INTEREST ARE PAID.**

15 **(G) (1) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL**
16 **AUTHORIZE THE DEFERRAL BY WRITTEN AGREEMENT.**

17 **(2) THE AGREEMENT SHALL REFLECT THE TERMS AND CONDITIONS**
18 **OF THE DEFERRAL, INCLUDING NOTICE OF THE LIEN.**

19 **(3) THE AGREEMENT SHALL BE RECORDED IN THE LAND RECORDS OF**
20 **THE COUNTY.**

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

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

1 **(I) PENALTIES MAY NOT BE CHARGED DURING THE PERIOD OF THE**
2 **DEFERRAL ON ANY TAX PAYMENTS DEFERRED UNDER THIS SECTION.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
4 1, 2015, and shall be applicable to all taxable years beginning after June 30, 2015.