

## Chapter 647

**(House Bill 396)**

AN ACT concerning

**Property Tax – Optional Installment Payment Schedule**

FOR the purpose of authorizing the governing body of a county or municipal corporation to provide, by law, for ~~an~~ a voluntary installment payment schedule for certain property tax due on real property; altering a provision of law that authorizes advance payment of county property tax to include advance payment of municipal corporation and special taxing district property tax; specifying the circumstances under which the governing body of a county or municipal corporation may authorize advance payment or an installment payment schedule for certain property taxes; authorizing the governing body of a county or municipal corporation to authorize, by law, the payment of certain fees or other charges that are also included on a certain property tax bill through an installment payment schedule authorized under this Act; requiring that certain installment payment due dates be scheduled during certain periods of time; authorizing the governing body of a county or municipal corporation to impose a certain service charge under certain circumstances; prohibiting the charging of interest on certain installment payments under certain circumstances; authorizing the governing body of a county or municipal corporation to provide, by law, for certain eligibility criteria and certain procedures relating to ~~an~~ a voluntary installment payment schedule; authorizing a taxpayer to elect to pay certain property tax due on real property through an installment payment schedule authorized under this Act; providing that the failure to make a certain installment payment may not be considered to be a failure to pay the property tax when due except under certain circumstances; making stylistic and conforming changes; providing for the application of this Act; and generally relating to ~~an~~ a voluntary installment payment schedule for property taxes due on real property.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 10–204.3(b) and 10–205

Annotated Code of Maryland

(2012 Replacement Volume and 2018 Supplement)

BY repealing

Article – Tax – Property

Section 10–204.3(k)

Annotated Code of Maryland

(2012 Replacement Volume and 2018 Supplement)

BY adding to

Article – Tax – Property

Section 10–208

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**

10–204.3.

(b) Notwithstanding Subtitle 1 of this title **AND SUBJECT TO § 10–208 OF THIS SUBTITLE:**

(1) the governing body of a county shall provide a semiannual payment schedule for State, county, and special taxing district property taxes due on owner–occupied residential property or business property; and

(2) the governing body of a municipal corporation shall provide a semiannual payment schedule for municipal corporation and special taxing district property taxes due on owner–occupied residential property or business property.

[(k) (1) The governing body of Prince George’s County may authorize, by law, an installment payment schedule of no more than six payments each year for county, municipal, and special taxing district property taxes due on owner–occupied residential property owned by a homeowner if:

(i) the homeowner is at least 62 years old; and

(ii) the owner–occupied residential property is not subject to a deed of trust, mortgage, or other encumbrance.

(2) The governing body of Prince George’s County shall provide, by law, for:

(i) any additional eligibility criteria for the installment payment schedule under this subsection;

(ii) the process for electing an installment payment schedule;

(iii) the due date of each payment installment; and

(iv) any other provision necessary to carry out the provisions of this subsection.]

10–205.

(a) (1) ~~The~~ SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE governing body of a county OR MUNICIPAL CORPORATION may authorize, by law, advance payment of county, MUNICIPAL CORPORATION, OR SPECIAL TAXING DISTRICT property tax.

(2) ~~IN~~ SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION AND IN ACCORDANCE WITH § 10-208 OF THIS SUBTITLE, THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY AUTHORIZE THE ADVANCE PAYMENT TO BE PAID ON AN INSTALLMENT PAYMENT SCHEDULE.

(3) (I) THE GOVERNING BODY OF A COUNTY MAY AUTHORIZE ADVANCE PAYMENT OR AN INSTALLMENT PAYMENT SCHEDULE FOR:

1. COUNTY PROPERTY TAX COLLECTED BY THE COUNTY;

2. MUNICIPAL CORPORATION PROPERTY TAX COLLECTED BY THE COUNTY AT THE REQUEST OF THE GOVERNING BODY OF THE MUNICIPAL CORPORATION; OR

3. SPECIAL TAXING DISTRICT PROPERTY TAX COLLECTED BY THE COUNTY AT THE REQUEST OF THE SPECIAL TAXING DISTRICT.

(II) THE GOVERNING BODY OF A MUNICIPAL CORPORATION MAY AUTHORIZE ADVANCE PAYMENT OR AN INSTALLMENT PAYMENT SCHEDULE FOR MUNICIPAL CORPORATION PROPERTY TAXES COLLECTED BY THE MUNICIPAL CORPORATION.

(III) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY NOT AUTHORIZE ADVANCE PAYMENT OR AN INSTALLMENT PAYMENT SCHEDULE FOR PROPERTY TAXES IMPOSED ON REAL PROPERTY THAT IS SUBJECT TO A DEED OF TRUST, A MORTGAGE, OR ANY OTHER ENCUMBRANCE THAT INCLUDES THE ESCROWING OF PROPERTY TAX PAYMENTS.

(b) The advance payment is calculated by applying the current county property tax rate to the assessment of the taxpayer’s property for the prior year.

(c) If the advance payment is less than the county, MUNICIPAL CORPORATION, OR SPECIAL TAXING DISTRICT property tax as finally determined, the collector shall send a bill to the taxpayer for the difference.

(d) (1) The law authorizing advance payment may allow interest on the advance payment.

(2) The interest may not exceed any discounts allowed by law.

**10-208.**

(A) (1) ~~THE~~ SUBJECT TO § 10-205 OF THIS SUBTITLE, THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY AUTHORIZE, BY LAW, AN INSTALLMENT PAYMENT SCHEDULE FOR THE COUNTY, MUNICIPAL CORPORATION, OR SPECIAL TAXING DISTRICT PROPERTY TAX IMPOSED ON REAL PROPERTY.

(2) IF A FEE OR OTHER CHARGE IMPOSED BY A COUNTY, MUNICIPAL CORPORATION, OR SPECIAL TAXING DISTRICT IS ALSO INCLUDED ON THE TAX BILL SENT TO THE TAXPAYER, THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY ALSO AUTHORIZE, BY LAW, THE PAYMENT OF THE FEE OR CHARGE THROUGH THE INSTALLMENT PAYMENT SCHEDULE AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

~~(2)~~ (3) (I) SUBJECT TO § 10-205 OF THIS SUBTITLE, AN INSTALLMENT PAYMENT SCHEDULE AUTHORIZED UNDER THIS SUBSECTION MAY BE SCHEDULED IN ADVANCE OF THE PROPERTY TAX BILL.

(II) AN INSTALLMENT PAYMENT SCHEDULE MAY INCLUDE ANY NUMBER OF DUE DATES SCHEDULED:

1. ON OR AFTER JANUARY 1; AND
2. ON OR BEFORE THE DUE DATE UNDER § 10-102 OF THIS TITLE OR § 10-204.3 OF THIS SUBTITLE, WHICHEVER IS APPLICABLE.

(B) FOR ANY INSTALLMENT PAYMENT SCHEDULED AFTER JULY 1:

(1) THE TAXING AUTHORITY MAY IMPOSE A SERVICE CHARGE IN ACCORDANCE WITH § 10-204.3(F) AND (G) OF THIS SUBTITLE; AND

(2) NO INTEREST MAY BE CHARGED IF PAYMENT IS MADE BEFORE THE NEXT INSTALLMENT IS DUE OR THE LAST INSTALLMENT IS DUE, WHICHEVER IS EARLIER.

(C) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION THAT AUTHORIZED AN INSTALLMENT PAYMENT SCHEDULE UNDER § 10-205 OF THIS SUBTITLE MAY PROVIDE, BY LAW, FOR:

(1) ANY ADDITIONAL ELIGIBILITY CRITERIA FOR AN INSTALLMENT PAYMENT SCHEDULE UNDER THIS SECTION;

- (2) THE PROCESS FOR ELECTING AN INSTALLMENT PAYMENT SCHEDULE;**
- (3) THE NUMBER OF INSTALLMENT PAYMENTS ALLOWED EACH YEAR;**
- (4) THE DUE DATE FOR EACH INSTALLMENT PAYMENT; AND**
- (5) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.**

**(D) (1) A TAXPAYER MAY ELECT TO PAY THE PROPERTY TAX IMPOSED ON REAL PROPERTY THROUGH AN INSTALLMENT PAYMENT SCHEDULE AUTHORIZED UNDER THIS SECTION.**

**(2) THE FAILURE BY THE TAXPAYER TO MAKE AN INSTALLMENT PAYMENT UNDER AN INSTALLMENT PAYMENT SCHEDULE AUTHORIZED UNDER THIS SECTION MAY NOT BE CONSIDERED TO BE A FAILURE TO PAY THE PROPERTY TAX WHEN DUE EXCEPT AS PROVIDED UNDER SUBTITLE 1 OF THIS TITLE.**

SECTION 2. 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.

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 25, 2019.**