

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 787  
Ways and Means

(Delegate Beitzel)

Budget and Taxation

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Garrett County - Overdue Property Tax - Interest Rate

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This bill increases the interest rate for overdue property taxes in Garrett County and municipalities in the county from 1.0% to 1.5%. **The bill takes effect July 1, 2020.**

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Garrett County property tax revenues increase by \$250,000 annually beginning in FY 2021. County expenditures are not affected.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** The interest rate for overdue property taxes in Garrett County and municipalities in the county is 1.0% for each month or fraction of a month that the tax is overdue.

**Background:** The interest rate for overdue State property taxes is 1.0%. Title 14, Subtitle 6 of the Tax-Property Article details interest rates for overdue property taxes.

**Local Fiscal Effect:** The Garrett County budget for fiscal 2019 and 2020 assumes \$500,000 in interest and penalties from overdue property tax payments. As a result, increasing the interest rate applicable to overdue property tax payments from 1.0% to

1.5% will increase Garrett County property tax revenues by \$250,000 annually beginning in fiscal 2021.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 354 (Senator Edwards) - Budget and Taxation.

**Information Source(s):** Garrett County; Department of Legislative Services

**Fiscal Note History:** First Reader - February 3, 2020  
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