

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 66 (Senator Colburn)
Budget and Taxation

Property Tax - Semiannual Payment Schedule - Local Option

This bill repeals the requirement that local governments provide an optional semiannual payment schedule for property taxes. Instead, local governments are authorized, rather than required, to provide such a payment schedule.

This bill is effective July 1, 1996, and applies to all tax years beginning after June 30, 1996.

Fiscal Summary

State Effect: None.

Local Effect: None, as described below.

Fiscal Analysis

Local Effect: Because this bill is authorizing in nature, there is no direct fiscal impact. If a local government should choose not to provide taxpayers the option of semiannual property tax payments, any administrative costs of such a system would be saved. However, local governments are authorized to levy a service charge for lost interest and administrative charges which are limited to 25% of lost interest. If administrative charges are less than 25% of lost interest, there would be no fiscal impact.

Since the mandated optional semiannual payment schedule does not go into effect until the taxable year beginning after June 30, 1996, there is no record of any administrative costs which could potentially be saved.

Information Source(s): Department of Assessments and Taxation, Baltimore City,

Frederick and Somerset counties, Department of Fiscal Services

Fiscal Note History: First Reader - January 17, 1996

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