

SENATE BILL 60

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Q1

1999 Regular Session  
9r0045

(PRE-FILED)

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By: **Chairman, Budget and Taxation Committee (Departmental -  
Assessments and Taxation)**

Requested: July 27, 1998

Introduced and read first time: January 13, 1999

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 2, 1999

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Property Tax Bills - Service Charges and Bill Format**

3 FOR the purpose of repealing the requirement that local taxing authorities receive  
4 approval from the Department of Assessments and Taxation for service charges  
5 added to semiannual property tax payments; repealing the requirement that  
6 local taxing authorities receive approval from the Department for format of  
7 property tax bills; requiring that local taxing authorities provide certain  
8 information to the Department; and generally relating to the semiannual  
9 payment schedule for property taxes.

10 BY repealing and reenacting, with amendments,  
11 Article - Tax - Property  
12 Section 10-204.3(g), (h), and (i)  
13 Annotated Code of Maryland  
14 (1994 Replacement Volume and 1998 Supplement)

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

17 **Article - Tax - Property**

18 10-204.3.

19 (g) The service charge:

20 (1) shall be:

1 (i) adopted by the taxing authority that collects the property taxes  
2 [after obtaining the prior approval of the amount of the service charge from the  
3 Department,] as part of adoption of the property tax rate under §§ 6-301 through  
4 6-303 of this article;

5 (ii) applicable to all property tax being collected by the taxing  
6 authority on the semiannual payment schedule for itself and for any other taxing  
7 authority;

8 (iii) expressed as a percent of the amount of tax due at the second  
9 installment and shown on the tax bill as a percent and actual dollar amount charged;  
10 and

11 (iv) calculated in an amount:

12 1. reasonably equivalent to the anticipated lost interest  
13 income associated with the delay in payment of the second installment; and

14 2. covering administrative expenses associated with the  
15 semiannual payment not exceeding the lesser of the actual expenses incurred in the  
16 preceding fiscal year per semiannual tax account [as approved by the State  
17 Department of Assessments and Taxation] or 10% of the charge for lost interest; and

18 (2) may not be considered to be a property tax for the purposes of any  
19 provision of a local law or charter that limits the property tax rate or property tax  
20 revenues.

21 (h) The local taxing authority shall [provide] REPORT to the Department by  
22 [May] JULY 1 of each year[, information that substantiates that the proposed service  
23 charge for the anticipated lost interest is reasonably equivalent to the amount of  
24 interest that will be lost as a result of the semiannual payment] THE SERVICE  
25 CHARGE ADOPTED.

26 (i) (1) The property tax bill under a semiannual payment schedule[:

27 (i)] shall state:

28 [1.] (I) the amount of the tax due if paid in full, including  
29 any applicable discounts for early payment;

30 [2.] (II) the amount of the tax due if paid in semiannual  
31 installments, including any applicable discounts for early payment of the first  
32 installment;

33 [3.] (III) the amount of service charge to be paid with the  
34 second installment; and

35 [4.] (IV) the date the tax payment is due[; and

1 (ii) shall be subject to approval by the Department of Assessments  
2 and Taxation].

3 (2) The [Department shall approve] TAXING AUTHORITY MAY ADOPT  
4 any local semiannual payment schedule collection that:

5 (i) provides efficient and cost-effective collection of taxes; and

6 (ii) provides two semiannual coupons, two semiannual billing  
7 forms, or a similar method that allows taxpayers to elect, at the time they receive  
8 their tax bills, to pay on either a semiannual or annual basis.

9 [(3) Local semiannual payment schedule collection systems that are not  
10 approved by the Department shall utilize 2 semiannual payment coupons that may be  
11 submitted separately with the appropriate payment as semiannual payments, or at  
12 the same time with a single annual payment.]

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 October 1, 1999.