

(PRE-FILED)

By: ~~Delegate Levy~~ **Charles County Delegation**

Requested: July 20, 2005

Introduced and read first time: January 11, 2006

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 22, 2006

CHAPTER _____

1 AN ACT concerning

2 **Charles County - Property Tax - Payment Deferral**

3 FOR the purpose of authorizing the governing body of Charles County to provide, by
4 law, a certain payment deferral of the county property tax for certain residential
5 real property; requiring the governing body of Charles County under certain
6 circumstances to specify certain amounts, the duration restrictions, and income
7 and age eligibility requirements for the payment deferral; ~~authorizing the~~
8 ~~governing body of Charles County to provide a tax deferral for certain taxable~~
9 ~~years under certain circumstances~~; requiring the payment of certain deferred
10 property taxes under certain circumstances; requiring the governing body of
11 Charles County under certain circumstances to provide certain information in a
12 taxpayer's annual property tax bill; requiring that a payment deferral be
13 authorized by a certain written agreement; requiring certain written
14 agreements to be recorded in certain land records; providing for a certain lien
15 attachment under certain circumstances; providing for the application of this
16 Act; and generally relating to property tax deferrals in Charles County for
17 certain residential real property.

18 BY adding to
19 Article - Tax - Property
20 Section 10-204.4
21 Annotated Code of Maryland
22 (2001 Replacement Volume and 2005 Supplement)

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

1 **Article - Tax - Property**

2 10-204.4.

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

7 (B) AN OWNER IS ELIGIBLE FOR A PAYMENT DEFERRAL UNDER SUBSECTION
8 (A) OF THIS SECTION IF THE OWNER OR AT LEAST 1 OF THE OWNERS:

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

11 (2) MEETS THE INCOME AND AGE ELIGIBILITY REQUIREMENTS
12 DETERMINED UNDER SUBSECTION (C) OF THIS SECTION.

13 (C) IF THE GOVERNING BODY OF CHARLES COUNTY AUTHORIZES A PAYMENT
14 DEFERRAL UNDER THIS SECTION, THE GOVERNING BODY SHALL SPECIFY:

15 (1) THE MINIMUM AGE OF AN OWNER TO DETERMINE ELIGIBILITY FOR
16 THE PAYMENT DEFERRAL;

17 (2) THE AMOUNT OF THE TAX THAT MAY BE DEFERRED, NOT
18 EXCEEDING THE INCREASE IN THE COUNTY PROPERTY TAX FROM THE DATE THE
19 TAXPAYER ELECTS TO DEFER THE PAYMENT OF THE TAX;

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

22 ~~(3)~~ (4) RESTRICTIONS ON THE AMOUNT OF THE REAL PROPERTY
23 ELIGIBLE FOR A PAYMENT DEFERRAL, EXCEPT THAT THE AMOUNT OF ELIGIBLE
24 PROPERTY MAY NOT BE LESS THAN THE DWELLING AND CURTILAGE, AS
25 DETERMINED BY THE SUPERVISOR;

26 ~~(4)~~ (5) THE RATE OF INTEREST TO BE PAID ON THE COUNTY
27 PROPERTY TAX PAYMENT FROM THE DUE DATE WITHOUT A DEFERRAL UNTIL THE
28 DATE THAT THE COUNTY PROPERTY TAX IS PAID;

29 ~~(5)~~ (6) THAT ANY MORTGAGEE OR BENEFICIARY UNDER A DEED OF
30 TRUST BE ENTITLED TO RECEIVE NOTICE OF THE DEFERRAL AND OF THE AMOUNT
31 OF TAX TO BE DEFERRED; AND

32 ~~(6)~~ (7) THE LEVEL OF INCOME TO DETERMINE ELIGIBILITY FOR THE
33 PAYMENT DEFERRAL.

34 (D) THE COUNTY PROPERTY TAX THAT IS DEFERRED UNDER THIS SECTION
35 AND ANY INTEREST SPECIFIED IN SUBSECTION ~~(C)(4)~~ (C)(5) OF THIS SECTION ARE
36 DUE:

1 (1) WHEN THE ELIGIBLE OWNER DIES; OR

2 (2) IMMEDIATELY UPON TRANSFER OF OWNERSHIP OF THE PROPERTY
3 FOR WHICH THE PROPERTY TAX HAS BEEN DEFERRED.

4 ~~(E) THE GOVERNING BODY OF CHARLES COUNTY MAY PROVIDE, BY LAW, FOR~~
5 ~~THE APPLICABILITY OF A TAX DEFERRAL UNDER THIS SECTION TO TAXABLE YEARS~~
6 ~~PRIOR TO THE DATE OF THE HOMEOWNER'S APPLICATION FOR THE TAX DEFERRAL~~
7 ~~IF THE HOMEOWNER MET THE REQUIREMENTS FOR ELIGIBILITY FOR THE TAX~~
8 ~~DEFERRAL IN THE PRIOR TAXABLE YEARS.~~

9 ~~(F)~~ (E) THE GOVERNING BODY OF CHARLES COUNTY SHALL SPECIFY THE
10 CUMULATIVE AMOUNT OF THE DEFERRAL AND RELATED INTEREST IN THE
11 TAXPAYER'S ANNUAL PROPERTY TAX BILL.

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

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

16 ~~(H)~~ (G) (1) THE GOVERNING BODY OF CHARLES COUNTY SHALL
17 AUTHORIZE THE DEFERRAL BY WRITTEN AGREEMENT.

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

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

22 ~~(I)~~ (H) PENALTIES MAY NOT BE CHARGED DURING THE PERIOD OF THE
23 DEFERRAL ON ANY TAX PAYMENTS DEFERRED UNDER THIS SECTION.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July June 1, 2006, and shall be applicable to all taxable years beginning after June
26 30, 2006.