

HOUSE BILL 1184

Q2

(9lr2253)

ENROLLED BILL

—Ways and Means / Budget and Taxation—

Introduced by **Washington County Delegation**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Washington County - Property Tax ~~Deferral~~ - Seniors Relief**

3 FOR the purpose of authorizing the governing body of Washington County or the
4 governing body of a municipal corporation in Washington County to grant, by
5 law, a tax credit against the county or municipal corporation property tax
6 imposed on certain real property under certain circumstances; authorizing the
7 county or municipal corporation to provide, by law, for the amount of the credit
8 and certain other provisions to carry out the credit; *requiring the county or*
9 *municipal corporation to consult with the Department of Assessments and*
10 *Taxation as certain provisions are developed*; authorizing the governing body of
11 Washington County to provide, by law, a certain payment deferral of the county
12 property tax for certain residential real property owned by individuals who are
13 at least 65 years of age; requiring the governing body of Washington County
14 under certain circumstances to specify the duration and certain amounts,
15 restrictions, and income eligibility requirements for the payment deferral;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 requiring the payment of certain deferred property taxes under certain
 2 circumstances; requiring the governing body of Washington County under
 3 certain circumstances to provide certain information in a taxpayer's annual
 4 property tax bill; requiring that a payment deferral be authorized by a certain
 5 written agreement to be recorded in certain land records; providing for a certain
 6 lien attachment under certain circumstances; requiring the governing body of
 7 Washington County to provide certain notification under certain circumstances;
 8 providing for the application of this Act; providing for the termination of certain
 9 provisions of this Act; and generally relating to property tax ~~deferrals~~ relief in
 10 Washington County for certain residential real property.

11 BY adding to

12 Article – Tax – Property
 13 Section ~~9–323(f)~~ and 10–204.5
 14 Annotated Code of Maryland
 15 (2007 Replacement Volume and 2008 Supplement)

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

18 **Article – Tax – Property**

19 **9–323.**

20 **(F) (1) IN THIS SUBSECTION, “TAXABLE ASSESSMENT” MEANS THE**
 21 **ASSESSMENT ON WHICH THE COUNTY PROPERTY TAX RATE WAS IMPOSED IN**
 22 **THE PRECEDING TAXABLE YEAR, ADJUSTED BY THE PHASED-IN ASSESSMENT**
 23 **INCREASE RESULTING FROM A REVALUATION UNDER § 8–104(C)(1)(III) OF THIS**
 24 **ARTICLE, LESS THE AMOUNT OF ANY ASSESSMENT ON WHICH A PROPERTY TAX**
 25 **CREDIT UNDER THIS SUBSECTION IS GRANTED.**

26 **(2) THE GOVERNING BODY OF WASHINGTON COUNTY OR THE**
 27 **GOVERNING BODY OF A MUNICIPAL CORPORATION IN WASHINGTON COUNTY**
 28 **MAY GRANT, BY LAW, A TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL**
 29 **CORPORATION PROPERTY TAX IMPOSED ON RESIDENTIAL REAL PROPERTY:**

30 **(I) THAT IS NOT A DWELLING AS DEFINED IN § 9–105 OF**
 31 **THIS TITLE; AND**

32 **(II) FOR WHICH THE CURRENT YEAR’S TAXABLE**
 33 **ASSESSMENT EXCEEDS THE PRIOR YEAR’S TAXABLE ASSESSMENT BY MORE**
 34 **THAN THE APPLICABLE CREDIT PERCENTAGE ESTABLISHED BY THE**
 35 **GOVERNING BODY UNDER PARAGRAPH (3) OF THIS SUBSECTION.**

1 **(3) THE GOVERNING BODY OF WASHINGTON COUNTY OR THE**
2 **GOVERNING BODY OF A MUNICIPAL CORPORATION IN WASHINGTON COUNTY**
3 **MAY PROVIDE, BY LAW, FOR:**

4 **(I) THE APPLICABLE CREDIT PERCENTAGE FOR PURPOSES**
5 **OF PARAGRAPH (2)(II) OF THIS SUBSECTION;**

6 **(II) THE AMOUNT OF THE TAX CREDIT UNDER THIS**
7 **SUBSECTION;**

8 **(III) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX**
9 **CREDIT UNDER THIS SUBSECTION;**

10 **(IV) REGULATIONS AND PROCEDURES FOR THE**
11 **APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT;**
12 **AND**

13 **(V) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE**
14 **CREDIT UNDER THIS SUBSECTION.**

15 **(4) THE GOVERNING BODY OF WASHINGTON COUNTY OR THE**
16 **GOVERNING BODY OF A MUNICIPAL CORPORATION IN WASHINGTON COUNTY**
17 **SHALL CONSULT WITH THE DEPARTMENT AS THEY DEVELOP THE PROVISIONS**
18 **UNDER PARAGRAPH (3) OF THIS SUBSECTION.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
20 read as follows:

21 **Article - Tax - Property**

22 **10-204.5.**

23 **(A) NOTWITHSTANDING SUBTITLE 1 OF THIS TITLE, THE GOVERNING**
24 **BODY OF WASHINGTON COUNTY MAY AUTHORIZE, BY LAW, A PAYMENT**
25 **DEFERRAL OF THE COUNTY PROPERTY TAX FOR RESIDENTIAL REAL PROPERTY**
26 **OCCUPIED AS THE PRINCIPAL RESIDENCE OF THE OWNER.**

27 **(B) AN OWNER IS ELIGIBLE FOR A PAYMENT DEFERRAL UNDER**
28 **SUBSECTION (A) OF THIS SECTION IF THE OWNER OR AT LEAST ONE OF THE**
29 **OWNERS:**

30 **(1) HAS RESIDED IN THE DWELLING FOR A PERIOD OF AT LEAST 5**
31 **CONSECUTIVE YEARS;**

1 (2) IS AT LEAST 65 YEARS OF AGE; AND

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

4 (C) IF THE GOVERNING BODY OF WASHINGTON COUNTY AUTHORIZES A
5 PAYMENT DEFERRAL UNDER THIS SECTION, THE GOVERNING BODY SHALL
6 SPECIFY:

7 (1) THE AMOUNT OF THE TAX THAT MAY BE DEFERRED, NOT
8 EXCEEDING THE INCREASE IN THE COUNTY PROPERTY TAX FROM THE DATE THE
9 TAXPAYER ELECTS TO DEFER THE PAYMENT OF THE TAX;

10 (2) THE DURATION OF THE PAYMENT DEFERRAL UNDER
11 SUBSECTION (A) OF THIS SECTION;

12 (3) RESTRICTIONS ON THE AMOUNT OF THE REAL PROPERTY
13 ELIGIBLE FOR A PAYMENT DEFERRAL, EXCEPT THAT THE AMOUNT OF ELIGIBLE
14 PROPERTY MAY NOT BE LESS THAN THE DWELLING AND CURTILAGE, AS
15 DETERMINED BY THE SUPERVISOR;

16 (4) THE RATE OF INTEREST, NOT EXCEEDING AN ANNUAL RATE
17 OF 3%, TO BE PAID ON THE COUNTY PROPERTY TAX PAYMENT FROM THE DUE
18 DATE WITHOUT A DEFERRAL UNTIL THE DATE THAT THE COUNTY PROPERTY
19 TAX IS PAID;

20 (5) THAT ANY MORTGAGEE OR BENEFICIARY UNDER A DEED OF
21 TRUST BE ENTITLED TO RECEIVE NOTICE OF THE DEFERRAL AND OF THE
22 AMOUNT OF TAX TO BE DEFERRED; AND

23 (6) THE LEVEL OF INCOME TO DETERMINE ELIGIBILITY FOR THE
24 PAYMENT DEFERRAL.

25 (D) THE COUNTY PROPERTY TAX THAT IS DEFERRED UNDER THIS
26 SECTION AND ANY INTEREST SPECIFIED IN SUBSECTION (C)(4) OF THIS SECTION
27 ARE DUE:

28 (1) WHEN THE DEFERRAL ENDS AS SPECIFIED IN SUBSECTION
29 (C)(2) OF THIS SECTION;

30 (2) WHEN THE ELIGIBLE OWNER DIES; OR

31 (3) IMMEDIATELY ON TRANSFER OF OWNERSHIP OF THE
32 PROPERTY FOR WHICH THE PROPERTY TAX HAS BEEN DEFERRED.

1 (E) **THE GOVERNING BODY OF WASHINGTON COUNTY SHALL SPECIFY**
2 **THE CUMULATIVE AMOUNT OF THE DEFERRAL AND RELATED INTEREST IN THE**
3 **TAXPAYER'S ANNUAL PROPERTY TAX BILL.**

4 (F) **(1) A LIEN SHALL ATTACH TO THE PROPERTY IN THE AMOUNT OF**
5 **ALL DEFERRED TAXES AND INTEREST.**

6 **(2) THE LIEN SHALL REMAIN ATTACHED UNTIL THE DEFERRED**
7 **TAXES AND INTEREST ARE PAID.**

8 (G) **(1) THE GOVERNING BODY OF WASHINGTON COUNTY SHALL**
9 **AUTHORIZE THE DEFERRAL BY WRITTEN AGREEMENT.**

10 **(2) THE AGREEMENT SHALL REFLECT THE TERMS AND**
11 **CONDITIONS OF THE DEFERRAL, INCLUDING NOTICE OF THE LIEN.**

12 **(3) THE AGREEMENT SHALL BE RECORDED IN THE LAND**
13 **RECORDS OF THE COUNTY.**

14 (H) **PENALTIES MAY NOT BE CHARGED DURING THE PERIOD OF THE**
15 **DEFERRAL ON ANY TAX PAYMENTS DEFERRED UNDER THIS SECTION.**

16 (I) **IN EACH ANNUAL PROPERTY TAX BILL, THE GOVERNING BODY OF**
17 **WASHINGTON COUNTY SHALL PROVIDE NOTICE OF, AND SPECIFY THE DETAILS**
18 **OF ELIGIBILITY FOR, A PAYMENT DEFERRAL UNDER THIS SECTION.**

19 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
20 be applicable to all taxable years beginning after June 30, 2009, but before July 1,
21 2012. Section 1 of this Act shall remain effective for a period of 3 years and 1 month
22 and, at the end of June 30, 2012, with no further action required by the General
23 Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.

24 ~~SECTION 2. AND BE IT FURTHER ENACTED, That Section 2 of this Act~~
25 ~~shall take effect June 1, 2009, and shall~~ be applicable to all taxable years beginning
26 after June 30, 2009.

27 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to Sections 3 and
28 4 of this Act, this Act shall take effect June 1, 2009.