

# HOUSE BILL 1184

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By: **Washington County Delegation**

Introduced and read first time: February 13, 2009

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of authorizing the governing body of Washington County to provide,  
4 by law, a certain payment deferral of the county property tax for certain  
5 residential real property owned by individuals who are at least 65 years of age;  
6 requiring the governing body of Washington County under certain  
7 circumstances to specify the duration and certain amounts, restrictions, and  
8 income eligibility requirements for the payment deferral; requiring the payment  
9 of certain deferred property taxes under certain circumstances; requiring the  
10 governing body of Washington County under certain circumstances to provide  
11 certain information in a taxpayer's annual property tax bill; requiring that a  
12 payment deferral be authorized by a certain written agreement to be recorded  
13 in certain land records; providing for a certain lien attachment under certain  
14 circumstances; requiring the governing body of Washington County to provide  
15 certain notification under certain circumstances; providing for the application of  
16 this Act; and generally relating to property tax deferrals in Washington County  
17 for certain residential real property.

18 BY adding to

19 Article - Tax - Property

20 Section 10-204.5

21 Annotated Code of Maryland

22 (2007 Replacement Volume and 2008 Supplement)

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

25 **Article - Tax - Property**

26 **10-204.5.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

19                   (2) THE DURATION OF THE PAYMENT DEFERRAL UNDER  
20 SUBSECTION (A) OF THIS SECTION;

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

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

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

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

1           **(D) THE COUNTY PROPERTY TAX THAT IS DEFERRED UNDER THIS**  
2 **SECTION AND ANY INTEREST SPECIFIED IN SUBSECTION (C)(4) OF THIS SECTION**  
3 **ARE DUE:**

4                   **(1) WHEN THE DEFERRAL ENDS AS SPECIFIED IN SUBSECTION**  
5 **(C)(2) OF THIS SECTION;**

6                   **(2) WHEN THE ELIGIBLE OWNER DIES; OR**

7                   **(3) IMMEDIATELY ON TRANSFER OF OWNERSHIP OF THE**  
8 **PROPERTY FOR WHICH THE PROPERTY TAX HAS BEEN DEFERRED.**

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

12           **(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**  
15 **TAXES AND INTEREST ARE PAID.**

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

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

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

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

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

27           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 June 1, 2009, and shall be applicable to all taxable years beginning after June 30,  
29 2009.