

# SENATE BILL 298

Q2

9lr1627

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By: **Senator Simonaire**

Introduced and read first time: January 28, 2009

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Anne Arundel County – Property Tax – Payment Deferral**

3 FOR the purpose of authorizing the governing body of Anne Arundel County to  
4 provide, by law, a certain payment deferral of the county property tax for  
5 certain residential real property; requiring the governing body of Anne Arundel  
6 County under certain circumstances to specify the duration and certain  
7 amounts, restrictions, and income and age eligibility requirements for the  
8 payment deferral; requiring the payment of certain deferred property taxes  
9 under certain circumstances; requiring the governing body of Anne Arundel  
10 County under certain circumstances to provide certain information in a  
11 taxpayer's annual property tax bill; requiring that a payment deferral be  
12 authorized by a certain written agreement to be recorded in certain land  
13 records; providing for a certain lien attachment under certain circumstances;  
14 requiring the governing body of Anne Arundel County to provide certain  
15 notification under certain circumstances; providing for the application of this  
16 Act; and generally relating to property tax deferrals in Anne Arundel County for  
17 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 ANNE ARUNDEL 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) (I) MEETS THE AGE ELIGIBILITY REQUIREMENTS  
11 DETERMINED UNDER SUBSECTION (C) OF THIS SECTION;

12                           (II) HAS BEEN FOUND PERMANENTLY AND TOTALLY  
13 DISABLED AND HAS QUALIFIED FOR BENEFITS UNDER:

- 14                                   1. THE SOCIAL SECURITY ACT;
- 15                                   2. THE RAILROAD RETIREMENT ACT;
- 16                                   3. ANY FEDERAL ACT FOR MEMBERS OF THE UNITED  
17 STATES ARMED FORCES; OR
- 18                                   4. ANY FEDERAL RETIREMENT SYSTEM; OR

19                           (III) HAS BEEN FOUND PERMANENTLY AND TOTALLY  
20 DISABLED BY A COUNTY HEALTH OFFICER OR THE BALTIMORE CITY  
21 COMMISSIONER OF HEALTH; AND

22                   (3) MEETS THE INCOME ELIGIBILITY REQUIREMENTS  
23 DETERMINED UNDER SUBSECTION (C) OF THIS SECTION.

24           (C) IF THE GOVERNING BODY OF ANNE ARUNDEL COUNTY AUTHORIZES  
25 A PAYMENT DEFERRAL UNDER THIS SECTION, THE GOVERNING BODY SHALL  
26 SPECIFY:

27                   (1) THE MINIMUM AGE, NOT EXCEEDING 65 YEARS OF AGE, OF AN  
28 OWNER TO DETERMINE ELIGIBILITY FOR THE PAYMENT DEFERRAL;

29                   (2) THE AMOUNT OF THE TAX THAT MAY BE DEFERRED, NOT  
30 EXCEEDING THE INCREASE IN THE COUNTY PROPERTY TAX FROM THE DATE 3

1 YEARS PRIOR TO THE DATE THE TAXPAYER ELECTS TO DEFER THE PAYMENT OF  
2 THE TAX;

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

5 (4) RESTRICTIONS ON THE AMOUNT OF THE REAL PROPERTY  
6 ELIGIBLE FOR A PAYMENT DEFERRAL, EXCEPT THAT THE AMOUNT OF ELIGIBLE  
7 PROPERTY MAY NOT BE LESS THAN THE DWELLING AND CURTILAGE, AS  
8 DETERMINED BY THE SUPERVISOR;

9 (5) THE RATE OF INTEREST TO BE PAID ON THE COUNTY  
10 PROPERTY TAX PAYMENT FROM THE DUE DATE WITHOUT A DEFERRAL UNTIL  
11 THE DATE THAT THE COUNTY PROPERTY TAX IS PAID;

12 (6) THAT ANY MORTGAGEE OR BENEFICIARY UNDER A DEED OF  
13 TRUST BE ENTITLED TO RECEIVE NOTICE OF THE DEFERRAL AND OF THE  
14 AMOUNT OF TAX TO BE DEFERRED; AND

15 (7) THE LEVEL OF INCOME TO DETERMINE ELIGIBILITY FOR THE  
16 PAYMENT DEFERRAL.

17 (D) THE COUNTY PROPERTY TAX THAT IS DEFERRED UNDER THIS  
18 SECTION AND ANY INTEREST SPECIFIED IN SUBSECTION (C)(5) OF THIS SECTION  
19 ARE DUE:

20 (1) WHEN THE DEFERRAL ENDS AS SPECIFIED IN SUBSECTION  
21 (C)(3) OF THIS SUBSECTION;

22 (2) WHEN THE ELIGIBLE OWNER DIES; OR

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

25 (E) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY SHALL SPECIFY  
26 THE CUMULATIVE AMOUNT OF THE DEFERRAL AND RELATED INTEREST IN THE  
27 TAXPAYER'S ANNUAL PROPERTY TAX BILL.

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

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

1           **(G) (1) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY SHALL**  
2 **AUTHORIZE THE DEFERRAL BY WRITTEN AGREEMENT.**

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

5           **(3) THE AGREEMENT SHALL BE RECORDED IN THE LAND**  
6 **RECORDS OF THE COUNTY.**

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

9           **(I) THE GOVERNING BODY OF ANNE ARUNDEL COUNTY SHALL SPECIFY**  
10 **THE DETAILS OF ELIGIBILITY FOR PAYMENT DEFERRAL OF COUNTY PROPERTY**  
11 **TAX FOR RESIDENTIAL REAL PROPERTY OCCUPIED AS THE PRINCIPAL**  
12 **RESIDENCE OF THE OWNER IN EACH TAXPAYER'S ANNUAL TAX BILL.**

13           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 June 1, 2009, and shall be applicable to all taxable years beginning after June 30,  
15 2009.