

CHAPTER 446

(House Bill 1184)

AN ACT concerning

Washington County – Property Tax ~~Deferral~~ – Seniors Relief

FOR the purpose of authorizing the governing body of Washington County or the governing body of a municipal corporation in Washington County to grant, by law, a tax credit against the county or municipal corporation property tax imposed on certain real property under certain circumstances; authorizing the county or municipal corporation to provide, by law, for the amount of the credit and certain other provisions to carry out the credit; requiring the county or municipal corporation to consult with the Department of Assessments and Taxation as certain provisions are developed; authorizing the governing body of Washington County to provide, by law, a certain payment deferral of the county property tax for certain residential real property owned by individuals who are at least 65 years of age; requiring the governing body of Washington County under certain circumstances to specify the duration and certain amounts, restrictions, and income eligibility requirements for the payment deferral; requiring the payment of certain deferred property taxes under certain circumstances; requiring the governing body of Washington County under certain circumstances to provide certain information in a taxpayer's annual property tax bill; requiring that a payment deferral be authorized by a certain written agreement to be recorded in certain land records; providing for a certain lien attachment under certain circumstances; requiring the governing body of Washington County to provide certain notification under certain circumstances; providing for the application of this Act; providing for the termination of certain provisions of this Act; and generally relating to property tax ~~deferrals~~ relief in Washington County for certain residential real property.

BY adding to

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

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

Article – Tax – Property

9–323.

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

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

(I) THAT IS NOT A DWELLING AS DEFINED IN § 9-105 OF THIS TITLE; AND

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

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

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

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

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

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

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

(4) THE GOVERNING BODY OF WASHINGTON COUNTY OR THE GOVERNING BODY OF A MUNICIPAL CORPORATION IN WASHINGTON COUNTY

SHALL CONSULT WITH THE DEPARTMENT AS THEY DEVELOP THE PROVISIONS UNDER PARAGRAPH (3) OF THIS SUBSECTION.

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

Article – Tax – Property

10-204.5.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) WHEN THE ELIGIBLE OWNER DIES; OR

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

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

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

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

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

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

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

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

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

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

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall ~~take effect June 1, 2009, and shall~~ be applicable to all taxable years beginning after June 30, 2009.

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

Approved by the Governor, May 7, 2009.