

# SENATE BILL 256

Q2  
SB 623/15 – B&T

6lr0749  
CF HB 1017

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By: **Senators Currie, Benson, Peters, Ramirez, ~~and Rosapepe~~ Rosapepe, and Muse**

Introduced and read first time: January 22, 2016

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: February 16, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Prince George's County – Property Tax Deferrals – Elderly and Disabled**  
3 **Homeowners**

4 FOR the purpose of requiring that, in Prince George's County, ~~a certain rate of interest~~  
5 ~~shall be paid~~ the interest payable on certain county property tax payment deferrals  
6 may not exceed a certain rate of interest; requiring the governing body of Prince  
7 George's County to establish and promote a certain public awareness campaign  
8 related to certain property tax deferral programs; authorizing the governing body of  
9 Prince George's County to provide, by law, a certain payment deferral of the county  
10 property tax for certain residential real property; requiring the governing body of  
11 Prince George's County under certain circumstances to specify the duration and  
12 certain amounts and restrictions for the payment deferral; requiring the payment of  
13 certain deferred property taxes under certain circumstances; requiring the governing  
14 body of Prince George's County under certain circumstances to provide certain  
15 information in a taxpayer's annual property tax bill; requiring that a payment  
16 deferral be authorized by a certain written agreement to be recorded in certain land  
17 records; providing for a certain lien attachment under certain circumstances;  
18 prohibiting the charging of certain penalties during a certain period of time; defining  
19 a certain term; providing for the application of this Act; and generally relating to  
20 property tax deferrals in Prince George's County for certain residential real property.

21 BY repealing and reenacting, with amendments,  
22 Article – Tax – Property  
23 Section 10–204  
24 Annotated Code of Maryland

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### 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.



(2012 Replacement Volume and 2015 Supplement)

BY adding to

Article – Tax – Property

Section 10–204.7

Annotated Code of Maryland

(2012 Replacement Volume and 2015 Supplement)

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

**Article – Tax – Property**

10–204.

(a) Notwithstanding Subtitle 1 of this title, the governing body of a county may authorize, by law, a payment deferral of 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 1 of the owners:

(1) has resided in the dwelling for a period of at least 5 consecutive years;

(2) (i) is at least 65 years of age;

(ii) has been found permanently and totally disabled and has qualified for benefits under:

1. the Social Security Act;

2. the Railroad Retirement Act;

3. any federal act for members of the United States armed forces; or

4. any federal retirement system; or

(iii) has been found permanently and totally disabled by a county health officer or the Baltimore City Commissioner of Health; and

(3) meets the income eligibility requirements determined under subsection (c) of this section.

(c) The governing body of a county that authorizes a payment deferral under subsection (a) of this section shall specify:

1 (1) the amount of the tax that may be deferred, not exceeding the increase  
2 in the county property tax from the date the taxpayer elects to defer the payment of the  
3 tax;

4 (2) restrictions on the amount of the real property eligible for a payment  
5 deferral under subsection (a) of this section, except that the amount of eligible property  
6 may not be less than the dwelling and curtilage, as determined by the supervisor;

7 (3) the duration of the payment deferral under subsection (a) of this  
8 section;

9 (4) the rate of interest to be paid on the county property tax payment from  
10 the due date without a deferral until the date that the county property tax is paid, **EXCEPT**  
11 **THAT IN PRINCE GEORGE'S COUNTY THE RATE OF INTEREST ~~SHALL BE~~ MAY NOT**  
12 **EXCEED 4%**;

13 (5) that any mortgagee or beneficiary under a deed of trust be entitled to  
14 receive notice of the deferral and of the amount of tax to be deferred; and

15 (6) the level of income to determine eligibility for the payment deferral  
16 under subsection (a) of this section.

17 (d) The county property tax that is deferred under this section and any interest  
18 specified in the law authorizing the deferral are due when the deferral ends as specified in  
19 the law authorizing the deferral.

20 (e) The governing body of a county that authorizes a payment deferral under  
21 subsection (a) of this section shall specify the cumulative amount of the deferral and related  
22 interest in the taxpayer's annual property tax bill.

23 (f) A lien shall attach to the property in the amount of all deferred taxes and  
24 interest. The lien shall remain attached until the deferred taxes and interest are paid.

25 (g) The governing body of a county that authorizes a payment deferral under  
26 subsection (a) of this section shall authorize the deferral by written agreement. The  
27 agreement shall reflect the terms and conditions of the deferral including notice of the lien.  
28 The agreement shall be recorded in the land records of the county.

29 **(H) (1) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL**  
30 **ESTABLISH AND PROMOTE A COUNTYWIDE PUBLIC INFORMATION, AWARENESS, AND**  
31 **EDUCATION CAMPAIGN ON THE PROPERTY TAX DEFERRAL AVAILABLE UNDER THIS**  
32 **SECTION.**

33 **(2) THE CAMPAIGN UNDER PARAGRAPH (1) OF THIS SUBSECTION**  
34 **SHALL DISSEMINATE INFORMATION ABOUT THE PROPERTY TAX DEFERRAL**  
35 **THROUGH WRITTEN NOTICE IN THE ANNUAL PROPERTY TAX BILL, PUBLICATION ON**

1 THE APPROPRIATE COUNTY WEB SITES, POSTERS, AND ANY OTHER MEDIUM LIKELY  
2 TO REACH RESIDENT TAXPAYERS WHO MAY BE ELIGIBLE FOR THE DEFERRAL  
3 PROGRAM UNDER THIS SECTION.

4 [(h)] (I) Penalties may not be charged during the period of the deferral on any  
5 tax payments deferred under this section.

6 10-204.7.

7 (A) IN THIS SECTION, "GROSS INCOME" HAS THE MEANING STATED IN §  
8 9-102 OF THIS ARTICLE.

9 (B) NOTWITHSTANDING SUBTITLE 1 OF THIS TITLE, THE GOVERNING BODY  
10 OF PRINCE GEORGE'S COUNTY MAY AUTHORIZE, BY LAW, A PAYMENT DEFERRAL OF  
11 COUNTY PROPERTY TAX FOR RESIDENTIAL REAL PROPERTY OCCUPIED AS THE  
12 PRINCIPAL RESIDENCE OF THE OWNER.

13 (C) AN OWNER IS ELIGIBLE FOR A PAYMENT DEFERRAL UNDER SUBSECTION  
14 (B) OF THIS SECTION IF:

15 (1) THE OWNER OR AT LEAST ONE OF THE OWNERS:

16 (I) HAS RESIDED IN THE DWELLING FOR A PERIOD OF AT LEAST  
17 5 CONSECUTIVE YEARS; AND

18 (II) IS AT LEAST 70 YEARS OF AGE; AND

19 (2) THE COMBINED GROSS INCOME OF ALL INDIVIDUALS WHO  
20 ACTUALLY RESIDE IN THE DWELLING, EXCLUDING AN INDIVIDUAL WHO PAYS A  
21 REASONABLE AMOUNT FOR RENT OR ROOM AND BOARD OR IS A DEPENDENT OF A  
22 RENTER UNDER § 152 OF THE INTERNAL REVENUE CODE, DOES NOT EXCEED  
23 \$45,000.

24 (D) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL SPECIFY:

25 (1) THE AMOUNT OF THE TAX THAT MAY BE DEFERRED;

26 (2) RESTRICTIONS ON THE AMOUNT OF THE REAL PROPERTY  
27 ELIGIBLE FOR A PAYMENT DEFERRAL UNDER SUBSECTION (B) OF THIS SECTION,  
28 EXCEPT THAT THE AMOUNT OF ELIGIBLE PROPERTY MAY NOT BE LESS THAN THE  
29 DWELLING AND CURTILAGE, AS DETERMINED BY THE SUPERVISOR;

30 (3) THE DURATION OF THE PAYMENT DEFERRAL UNDER SUBSECTION  
31 (B) OF THIS SECTION;

1           (4) THAT A RATE OF INTEREST OF UP TO 4% SHALL BE PAID ON THE  
2 COUNTY PROPERTY TAX PAYMENT FROM THE DUE DATE WITHOUT A DEFERRAL  
3 UNTIL THE DATE THAT THE COUNTY PROPERTY TAX IS PAID; AND

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

7           (E) THE COUNTY PROPERTY TAX THAT IS DEFERRED UNDER THIS SECTION  
8 AND ANY INTEREST SPECIFIED IN THE LAW AUTHORIZING THE DEFERRAL ARE DUE:

9           (1) WHEN THE DEFERRAL ENDS AS SPECIFIED IN SUBSECTION (D)(3)  
10 OF THIS SECTION;

11           (2) WHEN THE ELIGIBLE OWNER DIES; OR

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

14           (F) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL SPECIFY  
15 THE CUMULATIVE AMOUNT OF THE DEFERRAL AND RELATED INTEREST IN THE  
16 TAXPAYER'S ANNUAL PROPERTY TAX BILL.

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

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

21           (H) (1) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL  
22 AUTHORIZE THE DEFERRAL BY WRITTEN AGREEMENT.

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

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

27           (I) (1) THE GOVERNING BODY OF PRINCE GEORGE'S COUNTY SHALL  
28 ESTABLISH AND PROMOTE A COUNTYWIDE PUBLIC INFORMATION, AWARENESS, AND  
29 EDUCATION CAMPAIGN ON THE PROPERTY TAX DEFERRAL AVAILABLE UNDER THIS  
30 SECTION.

1           **(2) THE CAMPAIGN UNDER PARAGRAPH (1) OF THIS SUBSECTION**  
 2 **SHALL DISSEMINATE INFORMATION ABOUT THE PROPERTY TAX DEFERRAL**  
 3 **THROUGH WRITTEN NOTICE IN THE ANNUAL PROPERTY TAX BILL, PUBLICATION ON**  
 4 **THE APPROPRIATE COUNTY WEB SITES, POSTERS, AND ANY OTHER MEDIUM LIKELY**  
 5 **TO REACH RESIDENT TAXPAYERS WHO MAY BE ELIGIBLE FOR THE DEFERRAL**  
 6 **PROGRAM UNDER THIS SECTION.**

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

9           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
 10 1, 2016, and shall be applicable to all taxable years beginning after June 30, 2016.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.