

HOUSE BILL 396

Q1

9lr0308

By: **Delegates Carr, Shetty, and Solomon**

Introduced and read first time: January 30, 2019

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Optional Installment Payment Schedule**

3 FOR the purpose of authorizing the governing body of a county or municipal corporation to
4 provide, by law, for an installment payment schedule for certain property tax due on
5 real property; altering a provision of law that authorizes advance payment of county
6 property tax to include advance payment of municipal corporation and special taxing
7 district property tax; requiring that certain installment payment due dates be
8 scheduled during certain periods of time; authorizing the governing body of a county
9 or municipal corporation to impose a certain service charge under certain
10 circumstances; prohibiting the charging of interest on certain installment payments
11 under certain circumstances; authorizing the governing body of a county or
12 municipal corporation to provide, by law, for certain eligibility criteria and certain
13 procedures relating to an installment payment schedule; making stylistic and
14 conforming changes; providing for the application of this Act; and generally relating
15 to an installment payment schedule for property taxes due on real property.

16 BY repealing and reenacting, with amendments,
17 Article – Tax – Property
18 Section 10–204.3(b) and 10–205
19 Annotated Code of Maryland
20 (2012 Replacement Volume and 2018 Supplement)

21 BY repealing
22 Article – Tax – Property
23 Section 10–204.3(k)
24 Annotated Code of Maryland
25 (2012 Replacement Volume and 2018 Supplement)

26 BY adding to
27 Article – Tax – Property
28 Section 10–208

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2012 Replacement Volume and 2018 Supplement)

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

5 **Article – Tax – Property**

6 10–204.3.

7 (b) Notwithstanding Subtitle 1 of this title **AND SUBJECT TO § 10–208 OF THIS**
8 **SUBTITLE:**

9 (1) the governing body of a county shall provide a semiannual payment
10 schedule for State, county, and special taxing district property taxes due on owner–occupied
11 residential property or business property; and

12 (2) the governing body of a municipal corporation shall provide a
13 semiannual payment schedule for municipal corporation and special taxing district
14 property taxes due on owner–occupied residential property or business property.

15 [(k) (1) The governing body of Prince George’s County may authorize, by law,
16 an installment payment schedule of no more than six payments each year for county,
17 municipal, and special taxing district property taxes due on owner–occupied residential
18 property owned by a homeowner if:

19 (i) the homeowner is at least 62 years old; and

20 (ii) the owner–occupied residential property is not subject to a deed
21 of trust, mortgage, or other encumbrance.

22 (2) The governing body of Prince George’s County shall provide, by law, for:

23 (i) any additional eligibility criteria for the installment payment
24 schedule under this subsection;

25 (ii) the process for electing an installment payment schedule;

26 (iii) the due date of each payment installment; and

27 (iv) any other provision necessary to carry out the provisions of this
28 subsection.]

29 10–205.

30 (a) **(1)** The governing body of a county **OR MUNICIPAL CORPORATION** may

1 authorize, by law, advance payment of county, MUNICIPAL CORPORATION, OR SPECIAL
2 TAXING DISTRICT property tax.

3 **(2) IN ACCORDANCE WITH § 10-208 OF THIS SUBTITLE, THE**
4 **GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY AUTHORIZE THE**
5 **ADVANCE PAYMENT TO BE PAID ON AN INSTALLMENT PAYMENT SCHEDULE.**

6 (b) The advance payment is calculated by applying the current county property
7 tax rate to the assessment of the taxpayer's property for the prior year.

8 (c) If the advance payment is less than the county, MUNICIPAL CORPORATION,
9 OR SPECIAL TAXING DISTRICT property tax as finally determined, the collector shall send
10 a bill to the taxpayer for the difference.

11 (d) **(1)** The law authorizing advance payment may allow interest on the
12 advance payment.

13 **(2)** The interest may not exceed any discounts allowed by law.

14 **10-208.**

15 **(A) (1) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL**
16 **CORPORATION MAY AUTHORIZE, BY LAW, AN INSTALLMENT PAYMENT SCHEDULE**
17 **FOR THE COUNTY, MUNICIPAL CORPORATION, OR SPECIAL TAXING DISTRICT**
18 **PROPERTY TAX IMPOSED ON REAL PROPERTY.**

19 **(2) (I) SUBJECT TO § 10-205 OF THIS SUBTITLE, AN INSTALLMENT**
20 **PAYMENT SCHEDULE AUTHORIZED UNDER THIS SUBSECTION MAY BE SCHEDULED**
21 **IN ADVANCE OF THE PROPERTY TAX BILL.**

22 **(II) AN INSTALLMENT PAYMENT SCHEDULE MAY INCLUDE ANY**
23 **NUMBER OF DUE DATES SCHEDULED:**

24 **1. ON OR AFTER JANUARY 1; AND**

25 **2. ON OR BEFORE THE DUE DATE UNDER § 10-102 OF**
26 **THIS TITLE OR § 10-204.3 OF THIS SUBTITLE, WHICHEVER IS APPLICABLE.**

27 **(B) FOR ANY INSTALLMENT PAYMENT SCHEDULED AFTER JULY 1:**

28 **(1) THE TAXING AUTHORITY MAY IMPOSE A SERVICE CHARGE IN**
29 **ACCORDANCE WITH § 10-204.3(F) AND (G) OF THIS SUBTITLE; AND**

30 **(2) NO INTEREST MAY BE CHARGED IF PAYMENT IS MADE BEFORE THE**

1 NEXT INSTALLMENT IS DUE OR THE LAST INSTALLMENT IS DUE, WHICHEVER IS
2 EARLIER.

3 (C) THE GOVERNING BODY OF A COUNTY MAY PROVIDE, BY LAW, FOR:

4 (1) ANY ADDITIONAL ELIGIBILITY CRITERIA FOR AN INSTALLMENT
5 PAYMENT SCHEDULE UNDER THIS SECTION;

6 (2) THE PROCESS FOR ELECTING AN INSTALLMENT PAYMENT
7 SCHEDULE;

8 (3) THE NUMBER OF INSTALLMENT PAYMENTS ALLOWED EACH YEAR;

9 (4) THE DUE DATE FOR EACH INSTALLMENT PAYMENT; AND

10 (5) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE
11 PROVISIONS OF THIS SECTION.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
13 1, 2019, and shall be applicable to all taxable years beginning after June 30, 2019.