

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
1999 Legislative Session

Bill No. CB-66-1999
 Chapter No. 55
 Proposed and Presented by Council Member Scott
 Introduced by Council Member Scott
 Co-Sponsors _____
 Date of Introduction October 26, 1999

BILL

1 AN ACT concerning

2 Real Property Tax - Deferrals for Disabled and Elderly Property Owners

3 For the purpose of allowing eligible elderly and disabled homeowners to defer a portion of the
 4 County real property tax under certain circumstances.

5 BY adding:

6 SUBTITLE 10. FINANCE AND TAXATION.

7 Section 10-197,

8 The Prince George's County Code

9 (1995 Edition, 1998 Supplement).

10 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
 11 Maryland, that Section 10-197 of the Prince George's County Code be and the same is hereby
 12 added:

13 **SUBTITLE 10. FINANCE AND TAXATION**

14 **DIVISION 8. TAX ASSESSMENT, LEVY, AND COLLECTION.**

15 **Subdivision 1A. Property Tax.**

16 **Sec. 10-197. Real property tax deferral for elderly or disabled homeowners.**

17 (a) For the tax levy year beginning July 1, 2000, and thereafter, a property owner may defer
 18 payment of a portion of County property taxes due on residential real property which is owned in
 19 fee simple and is occupied by an eligible owner in accordance with the provisions of this
 20 Section.

1 (b) An owner who has resided in a dwelling as the principal place of residence for 5
 2 consecutive years is eligible for a payment deferral under this Section if the owner or at least one
 3 of the owners:

4 (1) is at least 65 years of age;

5 (2) has been found permanently and totally disabled and has qualified for benefits
 6 under:

7 (A) the Social Security Act;

8 (B) the Railroad Retirement Act;

9 (C) any federal law for members of the United States Armed Forces; or

10 (D) any federal retirement system; or

11 (3) has been found permanently and totally disabled by the Health Officer.

12 (c) The gross income or combined gross income of all owners, and all individuals who
 13 reside in the dwelling (except a person who pays reasonable fixed charges for rent or room and
 14 board), may not exceed \$45,000 for the calendar year that immediately precedes the taxable year
 15 for which the deferral is sought. For purposes of this subsection, gross income or combined
 16 gross income shall be calculated in accordance with Section 9-104 of the Tax-Property Article of
 17 the Maryland Code.

18 (d) The amount of the property eligible for a deferral is limited to the real property on
 19 which the residence is located, the curtilage, as determined by the Supervisor of Assessments,
 20 and any adjacent unimproved land on the same lot or parcel that is not assessed on the basis of
 21 agricultural use.

22 (e) The amount of tax that may be deferred shall not exceed the increase in the County
 23 property tax rate from the date the owner elects to defer the payment of the tax. A deferral shall
 24 not be granted for taxes attributable to any improvement to the property not included in the
 25 assessed value of the property for the base year in which the tax deferral was granted.

26 (f) Interest shall accrue on the deferred taxes at the rate of 9% per year.

27 (g) The cumulative amount of the payment deferral and accrued interest shall be specified
 28 in the taxpayer's annual property tax bill. The Director shall record the amount of that deferral in
 29 the County tax records. The accumulation of deferred taxes and accrued interest must not exceed
 30 50 percent of the full cash value of the property, as determined by the Supervisor of
 31 Assessments.

1 (h) A penalty shall not be charged during the period of the deferral on any taxes deferred
 2 under this Section.

3 (i) All taxes deferred and interest accrued on the taxes are a first lien on the property, with
 4 the priority of real property taxes, until paid or otherwise extinguished by operation of law. The
 5 deferred taxes and accrued interest are collectible by suit or by tax sale, regardless of any period
 6 of limitations imposed under law. In addition to being a first lien on the property, the deferred
 7 taxes and accrued interest constitutes a personal liability of the owner or owners who obtained
 8 the deferral.

9 (j) Except as otherwise provided in this subsection, all deferred taxes and accrued interest
 10 becomes due and payable if:

11 (A) an owner deferring taxes, including any joint owner, ceases to own the property in
 12 fee simple through sale or other transfer of the property;

13 (B) an owner no longer occupies the property as their principal residence;

14 (C) the property becomes subject to tax sale; or

15 (D) the owner fails to submit a timely application for deferral.

16 The property tax deferral remains available to a surviving spouse, or to a spouse or former
 17 spouse in possession of the residence under a written separation agreement or divorce decree, for
 18 amounts previously deferred. A spouse or former spouse may continue to defer taxes if otherwise
 19 eligible.

20 (k) An application for a tax deferral under this Section must be submitted to the Director of
 21 Finance no later than September 1 of the tax year in which the taxpayer seeks to obtain a tax
 22 deferral. Applications shall be on forms prepared by the Director and must be verified as true by
 23 the owner or each joint owner. The Director may request information to substantiate eligibility
 24 under this Section, including income tax records, and may require a certification by the applicant
 25 of all joint owners, persons having an equitable interest in the property and parties having a
 26 secured interest in the property. If the applicant is eligible, the Director shall execute a written
 27 agreement with the owner or each joint owner before a tax deferral can be made. The agreement
 28 must reflect the terms and conditions of the deferral including notice of the lien. The agreement
 29 may provide for repayment of the deferred taxes and accrued interest in installments if the owner
 30 ceases to occupy the property as that owner's principal residence but maintains ownership. The
 31 agreement must be recorded in the land records of the County at the owner's expense.

1 (l) A taxpayer may terminate the deferral at any time by giving written notice to the
 2 Director and paying all deferred taxes and accrued interest. Notice of termination of the deferral
 3 must also be recorded in the land records by the County at the owner's expense.

4 (m) The Director shall notify all mortgagees or beneficiaries under any deed of trust of a
 5 payment deferral under this Section and of the amount of tax to be deferred and when
 6 participation in the payment deferral program terminates. The Director may rely on any
 7 information provided by the taxpayer.

8 (n) The Director shall provide an annual report to the County Council by January 20 of each
 9 year that describes the number of deferrals, aggregate amounts of taxes deferred, interest
 10 accrued, and other relevant information.

11 SECTION 2. BE IT FURTHER ENACTED that the Director of Finance shall prepare
 12 forms to administer the provisions of this Act and shall cause a notice of eligibility and
 13 application requirements to be included in each tax bill notice mailed to owner-occupied
 14 dwellings.

15 SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)
 16 calendar days after it becomes law.

Adopted this 23rd day of November, 1999.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
M. H. Jim Estepp
Chairman

ATTEST:

Joyce T. Sweeney
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Wayne K. Curry
County Executive

KEY:
Underscoring indicates language added to existing law.
[Brackets] indicate language deleted from existing law.
Asterisks *** indicate intervening existing Code provisions that remain unchanged.