

HOUSE BILL 790

Q1

5lr2564

By: **Delegate Atterbeary**

Introduced and read first time: January 29, 2025

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 2025

CHAPTER _____

1 AN ACT concerning

2 **Property Tax – Payment Plans – Notice to Taxpayers**

3 FOR the purpose of requiring the State Tax Sale Ombudsman to include certain
4 information concerning a certain State installment payment program for property
5 taxes on the Ombudsman’s website; requiring a collector of taxes to include certain
6 information concerning a certain State or local installment payment program for
7 property taxes in a separate insert included with each property tax bill; requiring a
8 collector of taxes that maintains a website to include on the collector’s website the
9 same information concerning installment payment programs for property taxes that
10 is contained in the separate insert included with each property tax bill; requiring
11 that a separate insert included with certain notices sent to owners of property in tax
12 sale include certain information concerning a certain State or local installment
13 payment program for overdue property taxes; and generally relating to giving notice
14 to taxpayers of installment payment programs for property taxes.

15 BY repealing and reenacting, without amendments,

16 Article – Tax – Property

17 Section ~~2–112(a) and (b)~~ 2–112(a), (b), and (f), 10–208, 10–209, 14–812(a), and
18 14–817.1(c)

19 Annotated Code of Maryland

20 (2019 Replacement Volume and 2024 Supplement)

21 BY repealing and reenacting, with amendments,

22 Article – Tax – Property

23 Section 2–112(d) and 14–812(b)

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.



Annotated Code of Maryland
(2019 Replacement Volume and 2024 Supplement)

BY adding to
Article – Tax – Property
Section 4–201.2
Annotated Code of Maryland
(2019 Replacement Volume and 2024 Supplement)

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

Article – Tax – Property

2–112.

(a) (1) In this section the following words have the meanings indicated.

(2) “Homeowner” has the meaning stated in § 9–105 of this article.

(3) “Tax” has the meaning stated in § 14–801 of this article.

(b) There is a State Tax Sale Ombudsman in the Department.

(d) The Ombudsman shall:

(1) assist homeowners to understand the process for collection of
delinquent taxes;

(2) actively assist homeowners to apply for tax credits, discount programs,
and other public benefits that may assist the homeowners to pay delinquent taxes and
improve their financial situation;

(3) refer homeowners to legal services, housing counseling, and other social
services that may assist homeowners to pay delinquent taxes and improve their financial
situation;

(4) maintain a website that:

(I) functions as a clearinghouse for information concerning:

[(i)] 1. the process for collection of delinquent taxes; and

[(ii)] 2. services and programs that are available to assist
homeowners to pay delinquent taxes and improve their financial situation; and

(II) INCLUDES:

1 1. THE STATEMENT “IF YOU WOULD LIKE TO PAY YOUR
2 PROPERTY TAXES IN MONTHLY INSTALLMENTS, YOU MAY BE ELIGIBLE TO ENROLL
3 IN AN INSTALLMENT PAYMENT PLAN.”;

4 2. A COMPLETE DESCRIPTION OF THE INSTALLMENT
5 PAYMENT PROGRAM UNDER SUBSECTION (F) OF THIS SECTION; AND

6 3. DETAILED INSTRUCTIONS ON HOW TO ENROLL IN THE
7 INSTALLMENT PAYMENT PROGRAM UNDER SUBSECTION (F) OF THIS SECTION; AND

8 (5) maintain a toll-free telephone number that a homeowner may call to
9 obtain individualized personal assistance with delinquent taxes.

10 (f) (1) The Ombudsman shall contract with a vendor to operate an installment
11 payment program for the payment of taxes in which any homeowner may enroll.

12 (2) The installment payment program shall allow a homeowner to:

13 (i) make advance payments of taxes;

14 (ii) make payments of taxes currently due; or

15 (iii) make payments of taxes in arrears.

16 (3) (i) A homeowner whose dwelling is subject to a deed of trust, a
17 mortgage, or any other encumbrance that includes the escrowing of tax payments may not
18 enroll in the installment payment program for the advance payment of taxes.

19 (ii) An advance payment of taxes is calculated by applying the
20 current property tax rate to the assessment of the homeowner's property for the prior year.

21 (iii) If the advance payment is different than the taxes due as finally
22 determined, the vendor shall:

23 1. bill the homeowner for the unpaid balance; or

24 2. refund any excess tax paid.

25 (iv) The failure by a homeowner to make an advance payment under
26 the installment payment program may not be considered to be a failure to pay the property
27 tax when due except as provided under Title 10, Subtitle 1 of this article.

28 (4) The Ombudsman shall notify the collector to whom the taxes are owed
29 when a homeowner enters into an installment payment plan under this subsection.

(5) If a homeowner is in compliance with the terms of an installment payment plan, the collector may not take action under Title 14, Subtitle 8 of this article to collect any property taxes in arrears that are included in the installment payment plan.

(6) A homeowner is not in compliance with the terms of an installment payment plan if the homeowner fails to make a payment for a period of 90 days after the date the payment is due, or a longer period determined by the Ombudsman.

(7) If a homeowner is not in compliance with the terms of an installment payment plan:

(i) the Ombudsman:

1. may terminate the installment payment plan; and

2. shall notify the collector to whom the taxes are owed; and

(ii) the collector may take action under Title 14, Subtitle 8 of this article to collect any property taxes in arrears that were included in the installment payment plan.

(8) The cost of the contract with the vendor to operate the installment payment program shall be paid entirely by reasonable fees imposed on homeowners enrolled in the program.

4-201.2.

(A) EACH COLLECTOR SHALL INCLUDE WITH EACH PROPERTY TAX BILL A SEPARATE INSERT THAT INCLUDES:

(1) THE STATEMENT “IF YOU WOULD LIKE TO PAY YOUR PROPERTY TAXES IN MONTHLY INSTALLMENTS, YOU MAY BE ELIGIBLE TO ENROLL IN AN INSTALLMENT PAYMENT PLAN.”;

(2) A CONCISE DESCRIPTION OF THE PROGRAM UNDER § 2-112(F) OF THIS ARTICLE OR ANY LOCAL INSTALLMENT PAYMENT PROGRAM FOR PROPERTY TAXES UNDER § 10-208 OR § 10-209 OF THIS ARTICLE; AND

(3) INSTRUCTIONS ON HOW TO ENROLL IN THE PROGRAM UNDER § 2-112(F) OF THIS ARTICLE OR ANY LOCAL INSTALLMENT PAYMENT PROGRAM FOR PROPERTY TAXES UNDER § 10-208 OR § 10-209 OF THIS ARTICLE.

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE STATE TAX SALE OMBUDSMAN SHALL DESIGN THE SEPARATE INSERT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION AND PROVIDE THE INSERT TO EACH COLLECTOR.

(2) THE COLLECTOR SHALL DESIGN THE SEPARATE INSERT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IF THE INSERT INCLUDES INFORMATION ON A LOCAL INSTALLMENT PAYMENT PROGRAM FOR PROPERTY TAXES UNDER § 10-208 OR § 10-209 OF THIS ARTICLE.

(C) EACH COLLECTOR THAT MAINTAINS A WEBSITE SHALL INCLUDE ON THE COLLECTOR'S WEBSITE IN A CONSPICUOUS LOCATION THE SAME STATEMENT AND THE SAME INFORMATION CONTAINED IN THE INSERT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION.

10-208.

(a) (1) Subject to § 10-205 of this subtitle, the governing body of a county or municipal corporation may authorize, by law, an installment payment schedule for the county, municipal corporation, or special taxing district property tax imposed on real property.

(2) If a fee or other charge imposed by a county, municipal corporation, or special taxing district is also included on the tax bill sent to the taxpayer, the governing body of a county or municipal corporation may also authorize, by law, the payment of the fee or charge through the installment payment schedule authorized under paragraph (1) of this subsection.

(3) (i) Subject to § 10-205 of this subtitle, an installment payment schedule authorized under this subsection may be scheduled in advance of the property tax bill.

(ii) An installment payment schedule may include any number of due dates scheduled:

1. on or after January 1; and
2. on or before the due date under § 10-102 of this title or § 10-204.3 of this subtitle, whichever is applicable.

(b) For any installment payment scheduled after July 1:

(1) the taxing authority may impose a service charge in accordance with § 10-204.3(f) and (g) of this subtitle; and

(2) no interest may be charged if payment is made before the next installment is due or the last installment is due, whichever is earlier.

(c) The governing body of a county or municipal corporation that authorized an installment payment schedule under § 10-205 of this subtitle may provide, by law, for:

1 (1) any additional eligibility criteria for an installment payment schedule
2 under this section;

3 (2) the process for electing an installment payment schedule;

4 (3) the number of installment payments allowed each year;

5 (4) the due date for each installment payment; and

6 (5) any other provision necessary to carry out the provisions of this section.

7 (d) (1) A taxpayer may elect to pay the property tax imposed on real property
8 through an installment payment schedule authorized under this section.

9 (2) The failure by the taxpayer to make an installment payment under an
10 installment payment schedule authorized under this section may not be considered to be a
11 failure to pay the property tax when due except as provided under Subtitle 1 of this title.

12 10–209.

13 (a) The Mayor and City Council of Baltimore City or the governing body of a
14 county or municipal corporation may, by law, establish an installment payment program
15 for taxes in arrears on any residential property.

16 (b) Any fee or charge of any kind that is included on a property tax bill may be
17 paid through the installment payment program authorized under subsection (a) of this
18 section.

19 (c) (1) If a person is in compliance with the terms of an installment payment
20 program under this section, the collector may not take action under Title 14, Subtitle 8 of
21 this article to collect any property taxes in arrears that are included in the installment
22 payment program.

23 (2) A person is not in compliance with the terms of an installment payment
24 program if the person fails to make a payment for a period of 90 days after the date the
25 payment is due, or a longer period determined by the Mayor and City Council of Baltimore
26 City or the governing body of a county or municipal corporation.

27 (3) If a person is not in compliance with the terms of an installment
28 payment program, the collector may:

29 (i) terminate the person's enrollment in the installment payment
30 program; and

31 (ii) take action under Title 14, Subtitle 8 of this article to collect the
32 property taxes in arrears that were included in the installment payment program.

(d) The Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation may provide, by law, for:

(1) any additional eligibility criteria for an installment payment program under this section;

(2) the process for enrolling in an installment payment program;

(3) the frequency and due dates of installment payments; and

(4) any other provision necessary to carry out this section.

14-812.

(a) (1) At least 30 days before any property is first advertised for sale under this subtitle, the collector shall have mailed to the person who last appears as owner of the property on the collector's tax roll, at the last address shown on the tax roll, a statement giving the name of the person, and the amounts of taxes due.

(2) On the statement required under paragraph (1) of this subsection there shall also appear the following notice:

.....
"Date"

"This Is a Final Bill and Legal Notice to the Person Whose Name Appears on This Notice."

"According to the collector's tax roll you are the owner of the property appearing on this notice. Some of the taxes listed are in arrears. Notice is given you that unless all taxes in arrears are paid on or before 30 days from the above date, the collector will proceed to sell the above property to satisfy your entire indebtedness. Interest and penalties must be added to the total at the time of payment."

(3) In Baltimore City, the notice required under paragraph (1) of this subsection shall include an itemized list of the source and amount of each tax due that the collector seeks to recover through the tax sale.

(b) The mailing required under subsection (a) of this section shall include a separate insert that includes the following:

(1) a clear, concise, and easily understandable summary of the tax sale process not exceeding one page in length that includes a simple explanation of the steps that a property owner is required to take to retain the property at each stage in the process;

(2) the statement “If this property is your principal residence and you are having difficulty paying the taxes on the property, there are programs that may help you.”;

(3) a statement that the State Tax Sale Ombudsman established under § 2–112 of this article or the County Tax Sale Ombudsman, if applicable, is available to:

(i) answer questions about the tax sale process; and

(ii) assist homeowners with applying for tax credits and other benefits that may help homeowners to pay delinquent taxes and retain their homes;

(4) the toll-free telephone number and website address of the State Tax Sale Ombudsman or the County Tax Sale Ombudsman, if applicable;

(5) a statement that free counseling is available to help homeowners make plans to pay their bills and keep their homes by calling the telephone number of:

(i) the Homeowner’s HOPE Hotline; or

(ii) another similar local housing counseling service chosen by the collector;

(6) the following information concerning the homeowners’ property tax credit under § 9–104 of this article:

(i) the statement “The homeowners’ property tax credit may significantly reduce the property taxes you owe if you have limited income and assets. You may be eligible for the credit at any age, but if you are 70 years old or older, you may be eligible for a special benefit that may reduce the taxes you owe for the past 3 years.”; and

(ii) the website address and telephone number of the State Tax Sale Ombudsman where more information is available about the homeowners’ property tax credit and how to apply;

(7) if the collector uses the tax sale process to enforce a lien for unpaid charges for water or sewer service and a water or sewer utility serving the collector’s jurisdiction offers a program for discounted water or sewer rates for low-income customers:

(i) a brief description of the program for discounted water or sewer rates for low-income customers; and

(ii) information on how to apply for the program, including, if applicable, a website address and telephone number where more information and applications are available;

(8) the following information concerning the Homeowner Protection Program under Part VII of this subtitle:

(i) the statement, “If you are a homeowner of limited income you may qualify for the Homeowner Protection Program, which could keep your home out of tax sale for at least 3 years and could help you to pay the taxes you owe and keep your home.”; and

(ii) the website address and telephone number of the State Tax Sale Ombudsman where more information is available about the Homeowner Protection Program and how to apply; [and]

(9) THE FOLLOWING INFORMATION CONCERNING INSTALLMENT PAYMENT PROGRAMS FOR OVERDUE PROPERTY TAXES:

(I) THE STATEMENT “IF YOU WOULD LIKE TO PAY YOUR OVERDUE PROPERTY TAXES IN MONTHLY INSTALLMENTS, YOU MAY BE ELIGIBLE TO ENROLL IN AN INSTALLMENT PAYMENT PLAN.”;

(II) A CONCISE DESCRIPTION OF THE PROGRAM UNDER § 2–112(F) OF THIS ARTICLE OR ANY LOCAL INSTALLMENT PAYMENT PROGRAM FOR OVERDUE PROPERTY TAXES UNDER § 10–209 OF THIS ARTICLE; AND

(III) INSTRUCTIONS ON HOW TO ENROLL IN THE PROGRAM UNDER § 2–112(F) OF THIS ARTICLE OR ANY LOCAL INSTALLMENT PAYMENT PROGRAM FOR OVERDUE PROPERTY TAXES UNDER § 10–209 OF THIS ARTICLE; AND

[(9)] (10) any other information that may assist low-income homeowners in avoiding tax sale costs or foreclosure that the collector considers appropriate.

14–817.1.

(c) The mailing required under this section shall include a separate insert that includes all of the information required under § 14–812(b) of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2025~~ May 1, 2027.