



## House Bill 396

### *Property Tax - Optional Installment Payment Schedule*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 20, 2019

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 396. This bill authorizes local governments to provide, by law, for an installment payment schedule for county, municipal, or special taxing district real property taxes.

Currently, real property taxes for owner-occupied residential property and small businesses that pay less than \$100,000 in property taxes are due on a semiannual schedule. Property taxes for other property are due on July 1 and may be paid without interest on or before September 30.

This bill enables county governments to offer an installment payment schedule for real property taxes that may include any number of due dates scheduled on or after January 1 and on or before July 1 or September 30, whichever is applicable.

Counties appreciate and support the clarifying amendments offered by the bill sponsor to protect against potential unintended consequences for counties that collect real property taxes on behalf of a municipality or special taxing district.

This legislation properly leaves the decision for establishing a property tax installment schedule in the hands of the local governments, who are best situated to determine whether such a policy is in their best interest.

HB 396 ensures local governments have flexibility in enacting local policies designed to serve and react to community needs. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on HB 396.