

Department of Legislative Services  
Maryland General Assembly  
2021 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 573 (Delegate Long)  
Ways and Means

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**Baltimore County – Overdue Property Taxes – Waiver of Interest and Penalties**

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This bill requires Baltimore County to waive any interest or penalty imposed against a person for the late payment or nonpayment of county residential property taxes for the taxable years beginning after June 30, 2021, but before July 1, 2023. **The bill takes effect June 1, 2021, and terminates December 31, 2023.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Baltimore County property tax revenues decrease by a significant amount in FY 2022 and 2023. Based on prior year interest and penalty payments, county property tax revenues are estimated to decrease by \$2.6 million in each year. County expenditures are not directly affected. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Generally, 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. The first installment is due on July 1 and may be paid without interest on or before September 30. The second installment is due on December 1 and may be paid without interest on or before December 31. Local governments may add a service fee to the second installment to pay for administrative costs. However, homeowners and certain small business owners may elect to pay the full year's property tax on or before September 30, to avoid a service charge or interest charge. The Baltimore County Office

of Budget and Finance indicates that real property tax bills are considered delinquent on October 1. Interest begins to accrue at a rate of 1% per month until the bill is paid.

**Local Fiscal Effect:** Baltimore County property tax revenues decrease by a significant amount in fiscal 2022 and 2023. For fiscal 2019, Baltimore County received \$2.2 million in interest payments and \$0.4 million in various penalties and fees corresponding to late residential property tax payments. As a result, county property tax revenues are estimated to decrease by a similar amount, or approximately \$2.6 million, in fiscal 2022 and fiscal 2023.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Baltimore County; Department of Legislative Services

**Fiscal Note History:** First Reader - January 31, 2021  
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Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510