

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – Property

10-204.3.

(g) The service charge:

(1) shall be:

(i) adopted by the taxing authority that collects the property taxes AFTER OBTAINING THE PRIOR APPROVAL OF THE AMOUNT OF THE SERVICE CHARGE FROM THE DEPARTMENT, as part of adoption of the property tax rate under §§ 6-301 through 6-303 of this article;

(ii) applicable to all property tax being collected by the taxing authority on the semiannual payment schedule for itself and for any other taxing authority;

(iii) expressed as a percent of the amount of tax due at the second installment and shown on the tax bill as a percent and actual dollar amount charged; and

(iv) calculated in an amount:

1. reasonably equivalent to the anticipated lost interest income associated with the delay in payment of the second installment; and

2. covering administrative expenses associated with the semiannual payment not exceeding 25% THE LESSER OF THE ACTUAL EXPENSES INCURRED IN THE PRECEDING FISCAL YEAR PER SEMIANNUAL TAX ACCOUNT AS APPROVED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OR 100% of the charge for lost interest; and

(2) may not be considered to be a property tax for the purposes of any provision of a local law or charter that limits the property tax rate or property tax revenues.

(H) THE LOCAL TAXING AUTHORITY SHALL PROVIDE TO THE DEPARTMENT BY MAY 1 OF EACH YEAR, INFORMATION THAT SUBSTANTIATES THAT THE PROPOSED SERVICE CHARGE FOR THE ANTICIPATED LOST INTEREST IS REASONABLY EQUIVALENT TO THE AMOUNT OF INTEREST THAT WILL BE LOST AS A RESULT OF THE SEMIANNUAL PAYMENT.

[(h)] (I) (1) The property tax bill under a semiannual payment schedule:

(1) shall state:

(i) 1. the amount of the tax due if paid in full, including any applicable discounts for early payment;

(ii) 2. the amount of the tax due if paid in semiannual installments, including any applicable discounts for early payment of the first installment;