

(iii) When providing notice through a newspaper, the newspaper advertisement shall be published at least two times during the month of March of each year.

(iv) The newspaper advertisement or the written notification shall allow owners who pay property taxes through an escrow account servicer or mortgage company at least 60 days to elect a payment option.

(f) (E) A [property owner electing to pay real property taxes under a] semiannual payment schedule shall MAY [pay] INCLUDE a service charge TO BE PAID with the second installment.

[(g)] (F) ~~The~~ A 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 3-MONTH delay in payment of the second installment BY MULTIPLYING THE AMOUNT OF THE SECOND INSTALLMENT BY A RATE NOT EXCEEDING 1.5%; and

2. covering administrative expenses associated with the semiannual payment not exceeding 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 10% of the charge for THE ANTICIPATED lost interest INCOME AS CALCULATED IN ITEM 1 OF THIS ITEM;

(2) DOES NOT APPLY IF BOTH INSTALLMENTS OF PROPERTY TAX ARE PAID ON OR BEFORE SEPTEMBER 30 OF THE TAXABLE YEAR; and

~~(2)~~ (3) 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)] (G) 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.