

(i) provides efficient and cost-effective collection of taxes; and

(ii) provides two semiannual coupons, two semiannual billing forms, or a similar method that allows taxpayers to pay on a semiannual basis.

(3) Local semiannual payment schedule collection systems that are not approved by the Department shall utilize 2 semiannual payment coupons that shall be submitted with the appropriate payment.

(i) A payment under a semiannual schedule:

(1) for the first installment:

(i) is due on July 1 of the tax year; and

(ii) may be paid without interest on or before September 30 of the tax year; and

(2) for the second installment:

(i) is due on December 1 of the tax year;

(ii) except for the service charge, may be paid without interest on or before December 31 of the tax year; and

(iii) may be prepaid without the service charge or interest on or before September 30 of the tax year.

(j) (1) If an escrow account is established for the payment of the property tax, the escrow account servicer shall pay tax in semiannual installments unless the escrow account servicer has received written direction from the property owner or borrower to pay property tax in annual payments.

(2) If a taxpayer provides written direction to an escrow account servicer at least 60 days prior to the beginning of the tax year, property taxes shall be paid on an annual payment basis on behalf of that taxpayer by the escrow account servicer in the tax year that begins immediately following the year in which the written direction was received.

(3) If a taxpayer provides written direction to an escrow account servicer less than 60 days prior to the beginning of the tax year, property taxes may be paid on an annual payment basis on behalf of that taxpayer by the escrow account servicer in the tax year that begins immediately following the year in which the written direction was received.

SECTION 2. AND BE IT FURTHER ENACTED, That on or before September 30, 2004, the Department of Assessments and Taxation may accept applications for the taxable year beginning July 1, 2004.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2004, and shall be applicable to all taxable years beginning after June 30, 2004.

Approved May 26, 2004.