

**ORDINANCE 2006-**

**BE IT ENACTED AND ORDAINED** by the Board of County Commissioners of Cecil County that Article VI of the Code of Ordinances and Resolutions of the Board of County Commissioners of Cecil County, being Chapter 258 of the Cecil County Code, Taxation, is hereby amended to add new sections 17 through 30 so as to provide for a deferral of County Property Tax to be granted, upon application, for residential real property occupied as the principal residence of the owner who meets the eligibility requirements as stated below:

**CHAPTER 258**

**Section 258-17 DEFINITIONS.**

As used in this article, the following terms shall have the meanings indicated:

**COMBINED INCOME** – the combined gross income from all sources of all individuals who actually reside in a dwelling except an individual who is a dependent of the homeowner under § 152 of the Internal Revenue code; or pays a reasonable amount for rent or room and board.

**DWELLING** – a house that is used as the principal residence of a homeowner and the lot or curtilage on upon which the house is erected, as determined for tax purposes by the Supervisor of Assessments or his designee, and which is occupied by not more than two families; and is actually occupied or expected to be occupied by the homeowner for more than six months of a twelve-month period that includes July 1 of the taxable year for which the deferral under this section is sought.

**HOMEOWNER** – an individual who, on July 1, of the taxable year for which the deferral is sought actually resides in a dwelling in which the individual has a legal interest; or under a court order or separation agreement, permits a spouse, a former spouse, or a child of the individual's family to reside without payment of rent in a dwelling in which the individual has a legal interest.

**§ 258-18. Deferral Authorized.**

A homeowner who meets the requirements of this section may defer payment of county property taxes in accordance with this section.

### **§ 258-19. Qualifications.**

To be eligible for a deferral under this section, a homeowner must meet the requirements of this subsection.

- a. The homeowner must live in a dwelling where the combined income does not exceed \$60,000 a year.
- b. The homeowner must be at least 65 years old or permanently and totally disabled.
- c. An individual is considered to be permanently and totally disabled if found to be by the county health officer or if so qualified under the Social Security Act, the Railroad Retirement Act, or a federal act for members of the armed forces of the United States, or a federal retirement system.
- d. In the case of property owned by married parties jointly or as tenants in common or by the entirety, one of the owners must meet the criteria of b or c above. The eligible owner must reside in the home as his or her principal residence.

### **§ 258-20. Amount of Deferral.**

- a. A homeowner may defer the amount that the county property taxes due exceed the amount of county property taxes paid by the homeowner in the previous taxable year.
- b. Deferring taxes under this section does not affect any taxes that are not deferred.

### **§258-21. Interest.**

Interest shall accrue on the deferred taxes at a rate of 0% per annum.

### **§258-22. Limit on Accumulation.**

The accumulation of deferred taxes and accrued interest may not exceed 50% of assessed value of the property.

### **§258-23. Penalty for Non-payment.**

A penalty may not be charged on the portion of taxes deferred under this section.

### **§258-24. Lien and Liability.**

Until extinguished by operation of law or paid, real property taxes deferred and interest accrued are:

- a. A lien on the property with the same priority as real property taxes; and

- b. A personal liability of the homeowner who obtained the deferral.

**§258-25. When Deferred Taxes Due.**

The total amount of real property taxes deferred and interest accrued are due and payable when:

- a. The homeowner ceases to own the property;
- b. The homeowner ceases to occupy the property as his or her principal place of residence;
- c. The property becomes subject to a tax sale; or
- d. The homeowner fails to submit a timely application for deferral. An application for deferral must be submitted each year a deferral is sought.

**§ 258-25. Application.**

In accordance with the requirements of the Board of County Commissioners, a homeowner shall file an application for deferral no later than September 1 selecting deferral for the current tax year on the form that the County Treasurer provides. The County Treasurer shall design the application form to collect the information needed to evaluate an applicant's eligibility and may require the applicant to verify the application under oath. After receiving the application, the County Treasurer shall notify the applicant whether the application has been approved or disapproved. If the application is approved, the applicant and the County Treasurer shall execute a written agreement of deferral that provides for repayment and includes a notice of lien. After executing the agreement, the County Treasurer shall notify the mortgagees or beneficiaries under a deed of trust that are listed in the application. The agreement shall be recorded in the land records of the County at the homeowner's expense.

**§ 258-27. Authority of Taxpayer to End Deferral.**

A homeowner may end a deferral at any time by giving written notice to the County Treasurer and paying the deferred taxes and accrued interest.

**§ 258-29. Report.**

Each year, the County Treasurer shall submit a report to the Board of County Commissioners that includes:

- a. The number of deferrals, the aggregate taxes deferred, and the aggregate interest accrued; and
- b. The total number of applications received, and a number of applications approved and number of applications disapproved.

**§ 258-30. Fraud Prohibited.**

A person who knowingly provides false or fraudulent information on a document required under this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding five months or a fine not exceeding \$500.

Introduced at a public meeting of the Board of Commissioners this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

Adopted at a public meeting of the Board of Commissioners this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

**BOARD OF COUNTY COMMISSIONERS FOR CECIL COUNTY**

Attest:

\_\_\_\_\_  
Alfred C. Wein, Jr., Administrator

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Nelson K. Bolender, President

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Harry A. Hepbron, Vice President

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Phyllis Kilby, Commissioner

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William C. Manlove, Commissioner

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Mark H. Guns, Commissioner