



*Gregory J. Swain, County Attorney*

## MEMORANDUM

**To:** Council Members, Anne Arundel County Council

**From:** Kelly Phillips Kenney, Supervising County Attorney /s/

**Through:** Gregory J. Swain, County Attorney /s/

**Date:** December 20, 2021

**Subject:** Bill No. 115-21, Finance, Taxation, and Budget – Real and Personal Property Taxes – Late Interest and Penalties

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### Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 115-21.

**Background.** Recently, we have faced a global pandemic, along with widespread delays with deliveries by the United States Postal Service (“USPS”). Both resulted in tax payments being received late by the Office of Finance. Once a payment is late, interest and penalties are imposed in accordance with § 4-1-103 of the County Code (interest and penalties total 1% per month). There is no discretion for the Office of Finance to waive the fees, even if the delay is due to USPS delays or some other circumstance that is not the fault of a property owner.

**Purpose.** The main purpose of the Bill is to allow the Controller to waive late interest and penalties on tax bills that are late due to widespread issues such as USPS delivery delays or a state of emergency.

Section **4-1-103** is revised to allow for the waiver of late interest and penalties on overdue real or personal property taxes. The waiver can be granted if late payments are due to a County error, or an event or issue beyond an individual property owner’s control that effects multiple property owners, such as USPS delivery delays or a state of emergency. This change would allow the Controller to have discretion to waive the penalty or interest when there is a known issue that causes payment delays for multiple property owners.

**Note:** This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

**Section 2.** of the Bill provides that the Ordinance shall apply retroactively to October 1, 2021, which was when the most recent USPS delays began, allowing the late interest and penalties imposed since that time due to USPS delays to be waived upon the Ordinance becoming effective.

**Section 3.** of the Bill provides that the Ordinance shall take effect 45 days from the date it becomes law.

The Office of Law is available to answer any additional questions regarding this Bill.

Thank you.

cc: Honorable Steuart Pittman, County Executive  
Matthew Power, Chief Administrative Officer  
Dr. Kai Boggess-de Bruin, Chief of Staff  
Peter Baron, Legislative Liaison  
Karin McQuade, Controller  
Chris Trumbauer, Budget Officer