

**Department of Legislative Services**  
Maryland General Assembly  
2017 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 823

(Senator Eckardt)

Budget and Taxation

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**Task Force to Study Tax Sales in Maryland**

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This bill establishes a task force to study tax sales in the State. The President of the Senate and the Speaker of the House must designate the chair of the task force. The Department of Housing and Community Development (DHCD) must provide staff for the task force. By December 1, 2017, the task force must report its findings and recommendations to the Governor and the General Assembly.

The bill takes effect June 1, 2017, and terminates June 30, 2018.

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**Fiscal Summary**

**State Effect:** Any expense reimbursements for task force members and staffing costs for DHCD are assumed to be minimal and absorbable within existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The task force must:

- evaluate and assess the impact of tax sales in Maryland;
- evaluate how tax sales are conducted in each county; and
- examine and make recommendations for reform of the tax sale process in Maryland.

A member of the task force may not receive compensation but is entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget.

**Current Law/Background:** In general, a tax collector must sell, at an auction, not later than two years from the date the tax is in arrears, all property in the county on which the tax is in arrears. The time for the tax sale is established by local law. Failure of the collector to sell the property within the two-year period does not affect the validity or collectability of any tax, or the validity of any sale subsequently made.

The tax collector sets specified terms for the auction and publishes public notice of the tax sale, including requirements for potential bidders.

When a property is purchased at a tax sale, the purchaser must pay to the tax collector any delinquent taxes, penalties, sale expenses, and high-bid premium except as otherwise specified. Except for agricultural property, when a bidder at a tax sale purchases a property in Baltimore City and Prince George's County under specified circumstances, the bidder must pay a high-bid premium that is the greater of 20% of the amount by which the highest bid exceeds the lien amount, or 40% of the property's full cash value. The terms for payment of the purchase price and high-bid premiums, if any, are determined by the collector. In Prince George's County, the remainder of the purchase price is not paid to the collector until the purchaser forecloses on the property.

In Baltimore City, the holder of a certificate of sale for abandoned property with a minimum bid that is less than the lien amount may file a complaint to foreclose all rights of redemption in the property at any time after the sale date.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 659 (Delegate Angel, *et al.*) - Ways and Means.

**Information Source(s):** Department of Housing and Community Development;  
Department of Legislative Services

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