

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 977 (Delegate Mitchell)

Economic Matters

Real Property - Foreclosure Sales - Notice and Disclosure Requirements

This bill requires a person authorized to sell real property at a foreclosure sale, after the commencement of an action to foreclose the lien, to notify the county or municipal corporation where the property is located of: (1) the name, address, and telephone number of the person authorized to make the sale; and (2) the time, place, and terms of the sale. After receiving the notice, the county or municipal corporation is required to notify the person authorized to make the sale of any outstanding liens, charges, taxes, or assessments that the county or municipal corporation has on the property.

Fiscal Summary

State Effect: The bill would not substantively change State activities or operations.

Local Effect: If interpreted to prohibit charging a fee for the reports, revenues could decrease for jurisdictions that charge a fee for lien reports.

Small Business Effect: Minimal.

Analysis

Current Law: With certain exceptions, before property may be transferred on the assessment books or real property records, all public taxes, assessments, and charges due on the property must be paid to the county in which the property is located. All taxes on personal property in the county due by the transferor have been paid when all land owned by the transferor in the county is transferred. In Cecil, Charles, Dorchester, Harford, Howard, Kent, Queen Anne's, Somerset, and St. Mary's counties, with certain exceptions, before property may be transferred on the assessment books or real property records, any taxes,

assessments, and charges due a municipal corporation on the property must also be paid.

Local Revenues: Baltimore City advises that it charges \$33 for a report containing any tax liens and other charges on a parcel of real property. Assuming a 2% foreclosure rate on approximately 200,000 parcels, revenues to Baltimore City could decrease by \$132,000 if the bill is interpreted to preclude charging a fee for the reports.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Charles, Montgomery, and Prince George's counties; Baltimore City; Department of Legislative Services

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