

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 935
Ways and Means

(Prince George's County Delegation)

Budget and Taxation

Prince George's County - Tax Sales - Foreclosure for Abandoned Property
PG 410-15

This bill authorizes the Governing Body of Prince George's County to file a complaint to foreclose all rights of redemption in a vacant lot or in a property with a building that has been cited as vacant and unfit for habitation based on a housing or building violation notice at any time after the city becomes the purchaser by operation of law. The bill also exempts the Governing Body of Prince George's County from issuing specified required notices for such property.

The bill takes effect June 1, 2015.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal decrease in Prince George's County expenditures associated with lower property maintenance costs and exemptions from notice requirements in FY 2016 and annually thereafter. Any costs associated with implementation can likely be absorbed by existing resources. Revenues are not affected.

Small Business Effect: Potential minimal.

Analysis

Current Law/Background: Generally, the property owner has the right to redeem property sold at tax sale within six months from the date of the tax sale by paying the delinquent taxes, penalties, interest, and certain expenses of the purchaser. If the owner does not redeem the certificate, the purchaser has the right to file a complaint to foreclose

on the property after the six-month right of redemption period has passed. Generally within two years, if the right to foreclose is not exercised by the purchaser, the certificate is void and the purchaser is not entitled to a refund of any monies paid to the collector.

The bill avails Prince George's County of a system that has been in place in Baltimore City since 2010. Chapter 65 of 2010 authorized the Mayor and City Council of Baltimore City to file a complaint to foreclose all rights of redemption in specified abandoned property at any time after the city became the purchaser by operation of law. The Act also exempted the Mayor and City Council of Baltimore City from issuing specified required notices for such property.

According to the U.S. Census Bureau's 2009-2013 five-year American Community Survey, Prince George's County contained 24,991 vacant housing units, comprising 7.6% of total housing units. At the same time, Baltimore City contained 54,801 vacant housing units, comprising 18.5% of total housing units. Baltimore County contained 21,767 vacant units, comprising 6.5% of total inventory. By contrast, neighboring Montgomery County contained 17,261 vacant units, comprising only 4.6% of total inventory.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Department of Assessments and Taxation, Judiciary (Administrative Office of the Courts), Prince George's County, U.S. Census Bureau, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2015
min/kdm

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