

SENATE BILL 953

Q1

8lr2253

By: **Senators Eckardt and Ferguson**

Introduced and read first time: February 5, 2018

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Tax – Property – Collateralization of Tax Lien Securities**

3 FOR the purpose of authorizing a county or municipal corporation to place tax liens into a
4 trust for the purpose of issuing tax lien collateralized securities for certain purposes;
5 providing that the securities are the obligation of the county or municipal corporation
6 payable on certain conditions; providing that a tax lien collateralized security may
7 not be issued under this Act unless approved by the governing body of the county or
8 municipal corporation issuing the security; requiring a county or municipal
9 corporation to adopt certain rules and procedures; and generally relating to the
10 collateralization of tax lien securities.

11 BY adding to
12 Article – Tax – Property
13 Section 14–807
14 Annotated Code of Maryland
15 (2012 Replacement Volume and 2017 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That the Laws of Maryland read as follows:

18 **Article – Tax – Property**

19 **14–807.**

20 **(A) (1) A COUNTY OR MUNICIPAL CORPORATION MAY PLACE TAX LIENS**
21 **INTO A TRUST FOR THE PURPOSE OF ISSUING TAX LIEN COLLATERALIZED**
22 **SECURITIES.**

23 **(2) A COUNTY OR MUNICIPAL CORPORATION MAY USE ANY REVENUE**
24 **OR LOAN PROCEEDS UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 REDEVELOPMENT IN THE COUNTY OR MUNICIPAL CORPORATION OR ANY OTHER
2 PURPOSE FOR WHICH THE COUNTY OR MUNICIPAL CORPORATION IS AUTHORIZED
3 TO USE REVENUE.

4 (B) A TAX LIEN COLLATERALIZED SECURITY ISSUED BY A COUNTY OR
5 MUNICIPAL CORPORATION SHALL BE THE OBLIGATION OF THE COUNTY OR
6 MUNICIPAL CORPORATION AND SHALL BE PAYABLE ONLY ON THE REDEMPTION OF
7 THE TAX LIENS OR THE LIQUIDATION OF THE RELATED REAL ESTATE PARCELS AND
8 OTHER COLLATERAL OR CREDIT PLEDGED TO SECURE THE OBLIGATIONS.

9 (C) A TAX LIEN COLLATERALIZED SECURITY MAY NOT BE ISSUED UNDER
10 THIS SECTION UNLESS APPROVED BY THE GOVERNING BODY OF THE COUNTY OR
11 MUNICIPAL CORPORATION ISSUING THE SECURITY.

12 (D) BEFORE ISSUING A TAX LIEN COLLATERALIZED SECURITY UNDER THIS
13 SECTION, A COUNTY OR MUNICIPAL CORPORATION SHALL ADOPT RULES AND
14 PROCEDURES FOR:

15 (1) IDENTIFYING TAX LIENS TO BE PLACED IN TRUST FOR
16 COLLATERALIZATION;

17 (2) ISSUANCE AND SALE OF COLLATERALIZED SECURITIES; AND

18 (3) REVIEW AND APPROVAL OF THE TERMS AND OBLIGATIONS OF THE
19 SECURITIES.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2018.