

Chapter 440

(House Bill 1181)

AN ACT concerning

Property Tax – Tax Sales – Data Collection

FOR the purpose of altering and expanding certain data collection and reporting responsibilities of the State Department of Assessments and Taxation concerning tax sales; requiring each county to provide the Department with certain information on the form that the Department provides; requiring the Department, through a certain annual survey, to obtain certain data concerning certain categories of properties that are subject to tax sale; requiring the Department to obtain certain information concerning each county's tax sale process; requiring the Department to issue a report each year that includes an analysis and summary of certain information collected through a certain annual survey and certain information concerning the activities of the State Tax Sale Ombudsman; requiring the Department to publish the report on its website and submit the report to certain committees of the General Assembly on or before a certain date each year; requiring the Department to collaborate with counties to obtain certain disaggregated data on properties that are owner-occupied that are subject to the tax sale process; requiring the Department to use a certain list to help identify certain owner-occupied properties that are subject to the tax sale process; requiring the Department to include certain information in a certain report if any county is unable to report certain disaggregated data on properties that are owner-occupied that are subject to the tax sale process; requiring the Department to collaborate with counties and the Administrative Office of the Courts to obtain data on properties for which the right of redemption has been foreclosed by a private holder of a tax sale certificate; requiring the Department to inquire into whether certain procedures should allow counties to report data on properties for which the right of redemption has been foreclosed by a private holder of a tax sale certificate; requiring the Department to include certain information in a certain report if any county is unable to report certain data on properties for which the right of redemption has been foreclosed by a private holder of a tax sale certificate; and generally relating to data collection on tax sales.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 14-879

Annotated Code of Maryland

(2019 Replacement Volume)

BY repealing

Article – Tax – Property

Section 14-880

Annotated Code of Maryland

(2019 Replacement Volume)

BY adding to

Article – Tax – Property

Section 14–880

Annotated Code of Maryland

(2019 Replacement Volume)

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

Article – Tax – Property

14–879.

(a) **(1)** The Department shall conduct an annual survey of each county [and any municipal corporation] that conducts a tax sale under Part III of this subtitle to obtain the [data] **INFORMATION** specified in this section.

(2) EACH COUNTY SHALL PROVIDE THE DEPARTMENT ALL THE INFORMATION SPECIFIED IN THIS SECTION ON THE FORM THAT THE DEPARTMENT PROVIDES.

(b) **(1)** The Department shall obtain the [following information] **DATA SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION** concerning **THE FOLLOWING CATEGORIES OF** properties subject to sale under Part III of this subtitle:

(I) PROPERTIES THAT ARE ADVERTISED FOR SALE IN THE FIRST NOTICE REQUIRED TO BE PUBLISHED UNDER § 14–813 OF THIS SUBTITLE;

[(1) **(II)** [the total number of tax sale certificates] **PROPERTIES** offered for sale;

[(2) the number of certificates offered for sale that are for property owned by a homeowner as defined in § 9–105 of this article;

(3) the number of certificates offered for sale that are for properties that are vacant and abandoned;]

[(4) **(III)** [the number of certificates] **PROPERTIES** offered for sale that [are for properties that] are subject to liens for water or sewer services only;

[(5) **(IV)** [the number of certificates] **PROPERTIES** offered for sale that are sold;

[(6) the average amount of the lien for unpaid taxes on properties offered for sale;]

(V) PROPERTIES FOR WHICH THERE IS NO PRIVATE PURCHASER AND THE COUNTY OBTAINS THE TAX SALE CERTIFICATE IN ACCORDANCE WITH § 14-824 OF THIS SUBTITLE;

[(7) (VI) [the number of] properties that are redeemed before foreclosure [and the number of years that elapse between the sale of the certificate and redemption of each property]; [and]

[(8) (VII) [the number of] properties that are subject to foreclosure **BY THE COUNTY; AND**

(VIII) PROPERTIES FOR WHICH THE RIGHT OF REDEMPTION HAS BEEN FORECLOSED BY A PRIVATE HOLDER OF A TAX SALE CERTIFICATE.

(2) FOR EACH OF THE CATEGORIES OF PROPERTIES SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT SHALL OBTAIN THE FOLLOWING DATA FOR THE PRECEDING TAXABLE YEAR:

(I) THE TOTAL NUMBER OF PROPERTIES;

(II) THE TOTAL LIEN AMOUNT FOR ALL PROPERTIES;

(III) THE AVERAGE LIEN AMOUNT FOR ALL PROPERTIES; AND

(IV) FOR EACH OF THE DATA CATEGORIES SPECIFIED IN ITEMS (I) THROUGH (III) OF THIS PARAGRAPH, DISAGGREGATED DATA FOR PROPERTIES THAT ARE OWNED BY A HOMEOWNER AS DEFINED IN § 9-105 OF THIS ARTICLE.

(C) THE DEPARTMENT SHALL OBTAIN THE FOLLOWING INFORMATION CONCERNING EACH COUNTY'S TAX SALE PROCESS FOR THE PRECEDING TAXABLE YEAR:

(1) EACH TYPE OF CHARGE THAT THE COUNTY COLLECTS THROUGH ITS TAX SALE PROCESS, INCLUDING PROPERTY TAXES, WATER AND SEWER CHARGES, ENVIRONMENTAL CHARGES, AND ANY OTHER LOCAL GOVERNMENT CHARGES;

(2) THE LENGTH OF TIME THE TAX ON A PROPERTY IS REQUIRED TO BE OVERDUE BEFORE THE COUNTY BEGINS THE PROCESS TO SELL THE PROPERTY UNDER PART III OF THIS SUBTITLE;

(3) HOW FREQUENTLY THE COUNTY CONDUCTS A TAX SALE AND THE TIME OF YEAR WHEN THE TAX SALE OCCURS;

(4) WHETHER THE COUNTY CONDUCTS TAX SALES ON BEHALF OF MUNICIPAL CORPORATIONS IN THE COUNTY AND, IF APPLICABLE, WHICH MUNICIPAL CORPORATIONS;

(5) THE RATE OF INTEREST THE COUNTY CHARGES ON OVERDUE PROPERTY TAXES UNDER § 14-603 OF THIS TITLE;

(6) THE RATE OF REDEMPTION INTEREST A PROPERTY OWNER IS REQUIRED TO PAY TO REDEEM A PROPERTY AFTER A TAX SALE UNDER § 14-820 OF THIS SUBTITLE;

(7) THE MINIMUM THRESHOLD AMOUNT OF UNPAID TAXES ON A RESIDENTIAL PROPERTY THAT WILL CAUSE THE COUNTY TO PUT THE PROPERTY IN TAX SALE UNDER § 14-811(B) OF THIS SUBTITLE;

(8) REGARDING BID BALANCE MONEY IN EXCESS OF THE AMOUNT REQUIRED FOR THE PAYMENT OF TAXES, INTEREST, PENALTIES, AND COSTS OF THE SALE OF A PROPERTY:

(I) THE TOTAL AGGREGATE AMOUNT OF ALL BID BALANCE MONEY HELD BY THE COUNTY IN A SPECIAL FUND PENDING DISTRIBUTION TO PROPERTY OWNERS UNDER § 14-819(A) OF THIS SUBTITLE;

(II) THE TOTAL AGGREGATE AMOUNT OF BID BALANCE MONEY DISTRIBUTED TO PROPERTY OWNERS UNDER § 14-819(A) OF THIS SUBTITLE; AND

(III) THE TOTAL AGGREGATE AMOUNT OF BID BALANCE MONEY TRANSFERRED TO THE COUNTY UNDER § 14-819(B) AND (C) OF THIS SUBTITLE;

(9) WHETHER THE COUNTY HAS ESTABLISHED A COUNTY TAX SALE OMBUDSMAN UNDER § 2-112(E) OF THIS ARTICLE; AND

(10) A COPY OF THE SEPARATE INSERT REQUIRED TO BE MAILED TO PROPERTY OWNERS UNDER § 14-812(B) OF THIS SUBTITLE.

[(c)] (D) The Department shall obtain:

(1) the number of counties and municipal corporations that have withheld from sale under § 14-811(e) of this subtitle a dwelling owned by a homeowner who is low-income, at least 65 years old, or disabled;

(2) the eligibility criteria used by each county and municipal corporation to withhold a dwelling from sale under § 14–811(e) of this subtitle; and

(3) the number of dwellings withheld from sale by each county and municipal corporation under § 14–811(e) of this subtitle.

[14–880.

The Department shall analyze and summarize the information collected through the survey under § 14–879 of this part annually in a report and:

(1) publish the report on the Department’s website; and

(2) on or before December 31 each year, submit the report, in accordance with § 2–1257 of the State Government Article, to the Senate Budget and Taxation Committee and the House Committee on Ways and Means.]

14–880.

(A) EACH YEAR, THE DEPARTMENT SHALL ISSUE A REPORT THAT INCLUDES:

(1) AN ANALYSIS AND SUMMARY OF THE INFORMATION COLLECTED THROUGH THE SURVEY UNDER § 14–879 OF THIS PART; AND

(2) THE FOLLOWING INFORMATION CONCERNING THE ACTIVITIES OF THE STATE TAX SALE OMBUDSMAN ESTABLISHED UNDER § 2–112 OF THIS ARTICLE IN THE PRECEDING TAXABLE YEAR:

(I) THE NUMBER OF HOMEOWNERS WHO CONTACTED THE OMBUDSMAN;

(II) THE NUMBER OF HOMEOWNERS ASSISTED BY THE OMBUDSMAN TO APPLY FOR EACH OF THE TAX CREDITS UNDER § 9–104 OR § 9–105 OF THIS ARTICLE;

(III) THE NUMBER OF HOMEOWNERS ASSISTED BY THE OMBUDSMAN TO APPLY FOR OTHER DISCOUNT PROGRAMS OR PUBLIC BENEFITS AND A BRIEF SUMMARY OF THOSE PROGRAMS AND BENEFITS;

(IV) THE NUMBER OF HOMEOWNERS REFERRED BY THE OMBUDSMAN TO LEGAL SERVICES, HOUSING COUNSELING, AND OTHER SOCIAL SERVICES, AND A BRIEF SUMMARY OF THOSE SERVICES; AND

(V) ANY OTHER RELEVANT INFORMATION.

(B) ON OR BEFORE NOVEMBER 15 EACH YEAR, THE DEPARTMENT SHALL:

(1) PUBLISH THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION ON THE DEPARTMENT’S WEBSITE; AND

(2) SUBMIT THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE COMMITTEE ON WAYS AND MEANS.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) In this section, “Department” means the Department of Assessments and Taxation.

(b) (1) The Department shall collaborate with counties to obtain disaggregated data on properties that are owner-occupied and are subject to the tax sale process, as required under § 14–879(b)(2)(iv) of the Tax – Property Article as enacted by this Act.

(2) The Department shall use the list of properties that have an approved application for the homestead tax credit under § 9–105 of the Tax – Property Article to help counties identify owner-occupied properties that are subject to the tax sale process.

(3) If any county cannot report disaggregated data on properties that are owner-occupied and are subject to the tax sale process in the report due on or before November 15, 2020, under § 14–880 of the Tax – Property Article as enacted by this Act, the Department shall include in that report a description of its efforts under this subsection and why the efforts were insufficient to obtain disaggregated data on properties that are owner-occupied that are subject to the tax sale process.

(c) (1) The Department shall collaborate with counties and the Administrative Office of the Courts to obtain data on properties for which the right of redemption has been foreclosed by a private holder of a tax sale certificate, as required under § 14–879(b)(1)(viii) of the Tax – Property Article as enacted by this Act.

(2) The Department shall inquire into whether the procedures required under § 14–847 of the Tax – Property Article should allow counties to report data on properties for which the right of redemption has been foreclosed by a private holder of a tax sale certificate.

(3) If any county cannot report data on properties for which the right of redemption has been foreclosed by a private holder of a tax sale certificate in the report due on or before November 15, 2020, under § 14–880 of the Tax – Property Article as enacted by this Act, the Department shall include in that report a description of its efforts under

this subsection and why the efforts were insufficient to obtain data on properties for which the right of redemption has been foreclosed by a private holder of a tax sale certificate.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2020.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 8, 2020.