

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



DANIEL K. PHILLIPS
Director

ROBERT YEAGER
Deputy Director

HEARING DATE: March 27, 2025

BILL: HB0059

TITLE: State Department of Assessments and Taxation and Department of General Services - Property Appraisal Aids - Geographic Images

SDAT POSITION: SUPPORT

House Bill 59 aims to enhance Maryland's efforts to assist homeowners, who struggle to pay their property taxes, avoid tax sale, improve their financial circumstances, and ultimately retain their homes. **This bill furthers the governor's goal of making Maryland an affordable home for all residents.**

HB 59 is based on SDAT's first-hand experience working with homeowners through our State Tax Sale Ombudsman's Office and the Homeowner Protection Program. The implementation of this bill would have no fiscal impact on the state.

Key provisions:

1. **Additional Time for Homeowners:**
The bill provides an additional 3 months for homeowners to access relief resources before foreclosure proceedings can begin.
2. **Capping Interest Rates:**
It would cap the interest on unpaid property taxes after tax sale at 10%. Currently, counties can charge up to 20% interest.
3. **Increased Threshold for Tax Sale:**
It would raise the debt threshold required to be included in tax sale to a minimum of \$1,000.
4. **Reducing the Redemption Amount:**
The bill would exclude any non-delinquent taxes from the payoff amount. This makes it easier to redeem, and potentially makes the difference between saving their home or losing it.
5. **Enhanced Foreclosure Notices:**
- The bill requires that a copy of any foreclosure notice for an owner-occupied property be sent to

Maryland Department of Assessments and Taxation
700 E Pratt Street Suite 2100 Baltimore, MD 21202
1-888-246-5941 TTY: 1-800-735-2258

the State Tax Sale Ombudsman's Office. This allows us to proactively reach out to homeowners and offer assistance.

- Additionally, the bill mandates that tenants living in foreclosed properties receive 90 days' notice to vacate, up from 30 days, and it requires notices to be sent by certified mail and posted on the property within one day of mailing.

6. Extended Time for Investors to Take Possession:

It would extend the timeframe for an investor to take possession of a foreclosed property from 30 to 90 days after the foreclosure. This again gives homeowners more time to take action.

7. Support for Estates and Heirs:

The bill would broaden the definition of "homeowner" to include a deceased homeowner's estate, personal representative, or any heirs entitled to inherit the property.

This would ensure that families have the opportunity to keep their homes even after the owner has passed away, thus fostering generational wealth and preserving family homes.

8. Record Retention:

It would require counties to maintain their tax sale records for at least three years. This ensures transparency and accountability, as well as preserves data for the State Tax Sale Ombudsman's Annual Tax Sale Survey.

9. Vacant and abandoned properties:

HB 59 would streamline the tax sale process for vacant and abandoned properties. This would help local jurisdictions with their community development efforts, foster stronger neighborhoods, and increase housing availability as well as local tax bases.

In conclusion, HB 59 offers meaningful reforms that would provide critical relief to homeowners in tax sale, while ensuring fairness and protecting both homeowners and tenants.

It would help homeowners retain their homes, rebuild their financial stability, and foster community resilience.

The Department respectfully requests a favorable report on House Bill 59.