

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 451 (Delegate Harrison, *et al.*)
Ways and Means

Referred to Budget and Taxation

Baltimore City - Property Tax Sales - Taxes Due after Sale - Payment and Reimbursement

This amended bill clarifies that in Baltimore City a plaintiff or a holder of a certificate of sale may pay taxes, interest, and penalties (on or after October 1) that become due on property after the date of sale and that have not been paid by the owner. These individuals are entitled to reimbursement for such costs plus interest at the rate of redemption.

The bill is effective July 1, 1997.

Fiscal Summary

State Effect: None.

Local Effect: Indeterminate effect on Baltimore City revenues as discussed below. No effect on expenditures.

Small Business Effect: Minimal. To the extent that small businesses own certificates of sale, the bill could alert more of them to pay taxes, interest, and penalties on properties after the date of sale. However, such costs would be reimbursed.

Fiscal Analysis

Local Revenues: By clarifying existing law, the bill could serve to increase the number of plaintiffs or holders of certificates of sale in Baltimore City that pay taxes, interest, and penalties on delinquent properties. If this occurs, the city could experience a decrease in revenues through the collection of less interest and penalties because payments will be made earlier. However, it could experience an increase in revenues through the interest earned on the monies received from the earlier payment of taxes, interest, and penalties. At this time,

the combined impact cannot be determined, but there would be at least a partial offsetting of gains and losses.

Information Source(s): Department of Fiscal Services

Fiscal Note History: First Reader - February 3, 1997

nrd Revised - House Third Reader - April 1, 1997

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